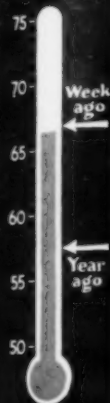


SEPT. 7  
1935

# BUSINESS WEEK

BUSINESS  
INDICATOR

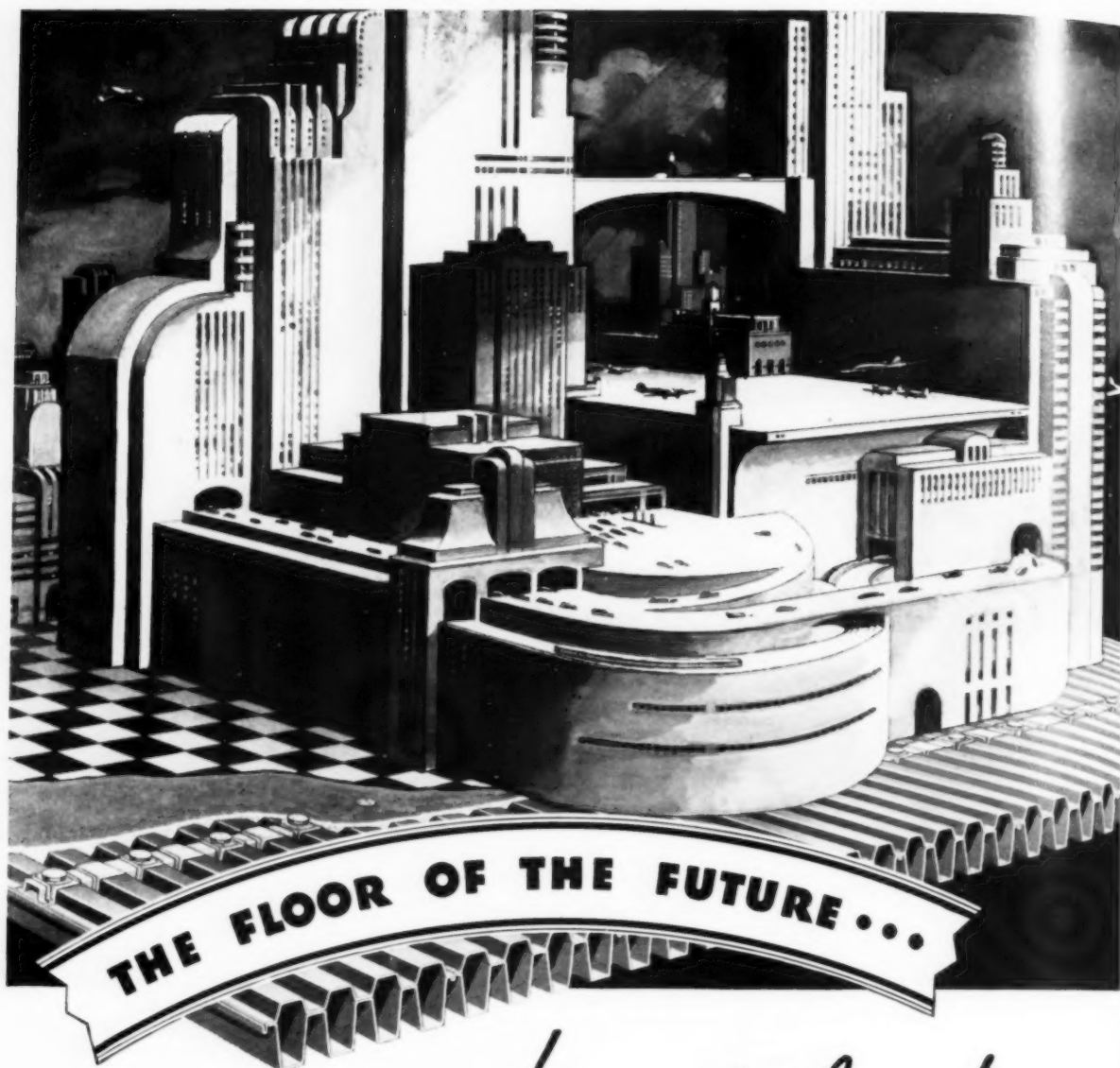


McGRAW-HILL  
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COMPANY, INC.

20 CENTS

FOREIGN NEWS—Rumors of war can't crowd out the news that French trucks are carrying bigger loads of Paris models to the boat-trains as American stores watch clothing sales rise, buy for a real fall upturn.

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Think of a floor that provides 100% electrical flexibility to meet any and all electrical requirements which the future may bring. The Robertson Floor does this . . . at a cost usually no greater

than that of ordinary floor construction, and without the necessity for a single foot of costly underfloor duct! Think of a floor that is far lighter and more compact than present day floors, and yet has an enormously increased load carrying ability. The Robertson Floor has these advantages. Think of a floor that speeds up large building erection from 20% to 30%. The Robertson Floor does this. And think of a floor that increases fire safety, reduces accident hazards. The Robert-

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Every person who has even a remote financial connection with business buildings should find this new system of floor construction vitally interesting . . . because it offers, at last, the long-sought means of protecting his investment over a period of many years. The facts about the Robertson Steel Floor System are fully dealt with in our brochure "New Life for Buildings". We invite you to send for your free copy of this brochure . . . today.

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PITTSBURGH, PA.

BUSINESS WEEK

# Washington Bulletin

WASHINGTON (By Business Week Staff Correspondents)—President Roosevelt will do anything possible to help business revival now under way except the one thing business most wants him to do—let it alone. In his barnstorming tour about to start he will not promise to curtail regulation by government or even to lighten tax burdens. His definite policy is to increase both. Yet he is extremely anxious for further revival.

So far, business upturn has made no important dent in unemployment, but government hopes further extension of it will eventually lighten the relief burden and increase tax revenues.

## Help for Budget

Increased inter-corporation dividend taxes, plus corporate income tax, will help budget-balancing amazingly—far beyond any published estimates—if business expands. And, of course, expansion would push up individual income tax revenues.

## At Bond Interest Limit

Roosevelt and Morgenthau now feel they have gone the limit in saving interest charges. With new financing all old higher-rate bonds are cancelled at huge savings. But Administration realizes no more money is to be saved in this direction. Future financing, in fact, will probably be more expensive.

## "Tax Mergers"

First of long series of consolidations—experts believe—is proposal of Associated Gas & Electric to merge Northern Pennsylvania Power with Metropolitan Edison. Petition to Federal Power Commission is hailed by New Dealers as abandonment by utility interests of hopes that holding company law will be declared unconstitutional by Supreme Court. Actually new taxes, especially inter-corporation dividend impost, boost in capital stock and corporation income taxes, are believed real explanation. Therefore, not only utilities but corporations in other lines will probably simplify structures to keep taxes down.

## Rail Merger Doubtful

Merger of Frisco with Rock Island and Chicago & Eastern Illinois is not expected by ICC and RFC officials, despite proposals of Rock Island preferred stock protective committee. Prior to Frisco's receivership in 1908, these 3 lines operated under one management without great success.

## Another Famous Victory

Tight federal control of state banks not members of Reserve System is

## ONE POINT IN COMMON

*Business and New Deal agree on one important factor in housing for recovery. Having failed ignobly in attempts to reduce other elements of cost, Administration has concentrated on bringing down mortgage interest. Building industry cheers as government considers even more radical means of achieving this.*

provided in various FDIC requirements. Which explains why Reserve Governor Eccles and Carter Glass surrendered to Henry Steagall, chairman of House Banking Committee, in their fight to force state banks under Reserve control—the one point on which they agreed. If FDIC Chairman Crowley's system is as tight as it seems to be, Steagall's victory for small-town bankers is rather barren.

## Bank Regulations Due

New banking regulations will not be out for 2 months. Drafting will be completed in next few days, but approval will wait till officers of each Reserve bank comment.

## Potato Trouble

AAA is already having trouble correcting misinformation about its plans for curtailing potato crop. It wants farmers to know they need not be licensed for home-consumption patches. Only growers who sell tubers must worry about quotas. But rebellion is developing among farmers.

## —And Cotton Troubles

New cotton loan and subsidy policy continues to produce repercussions. Mills which had abandoned hedging since government virtually pegged price are unhappy. Planters are divided. Some are worried over foreign competition.

## Philadelphia Test

Administration is highly hopeful that Philadelphia will not only reverse Rhode Island but make it seem

trifling as gauge of public sentiment on New Deal. Inside view of Roosevelt and Farley is that Quaker City will elect Democratic mayor in November, which unlikely event would plunge G.O.P. leaders in as deep a gloom as 1934 congressional results left them, point unerringly to triumph of Roosevelt next year. Republicans can't win without Pennsylvania's 36 electoral votes.

## Ready for "Exposure"

Threatened "exposure" of American Tel. & Tel. leaves stockholders unmoved, if market price proves anything. Insiders assert chief objection to probe is expense to which it will subject the company.

## No Boondoggling Here

Trans-Florida ship canal—just another "Quoddy" in that it is economically indefensible though perhaps justifiable as "made work"—now has an alibi. As result of Dixie's dramatic hurricane crash on French Reef, it can be defended as providing a safe route for Gulf-to-Atlantic traffic. Promoted by Senators Trammel and Fletcher, waterway will be 195 miles long, involve moving twice as much dirt as at Panama Canal, though at less cost. Prospective savings: one day's time, \$7½ millions annually in costs on North Atlantic-Gulf shipping. Florida's state geologists are worried lest canal's salt water filter into fresh water sources and damage central Florida farm and citrus land. Army engineers say a protective wall would be of prohibitive cost and wholly unnecessary, for effect on water would be purely local.

## War Business for U. S.

Despite stringent neutrality law rushed through Congress, United States has already benefited sharply from Italo-Ethiopian situation. Example: scrap iron exports to Italy were 62,000 tons in July. In entire boom year of 1929, Italy bought only 92,000 tons here. Statistics on actual manufactured war supplies are unsatisfactory, for in the absence of any export tax, officials don't worry whether shipments labeled "hemp" really contain gun cotton or whether "farm machinery" means machine guns.

## Yankee at Court

Maine Yankee sits on lid of Haile Selassie's strongbox as Ethiopia prepares to battle Italy. Everett A. Colson, of Warren, Me., financial advisor to King of Kings, is suspected of New England thrift in expenditure of national defense funds. Munitions exporters please note.



“WAS I SHOUTING AGAIN?  
I KEEP FORGETTING YOUR  
NEW SILENT SMITH!”



At thousands of individual points in the new Silent L C Smith typewriter sound has been hunted out, tracked down and eliminated by acoustical treatment, cushioning, greater precision, etc. The sound-proofing has actually made a *more rugged* typewriter than before.

You may be sure the Silent L C Smith will start silent and stay silent. It will be a delight to typists, noise-wracked executives, and production-minded office managers.

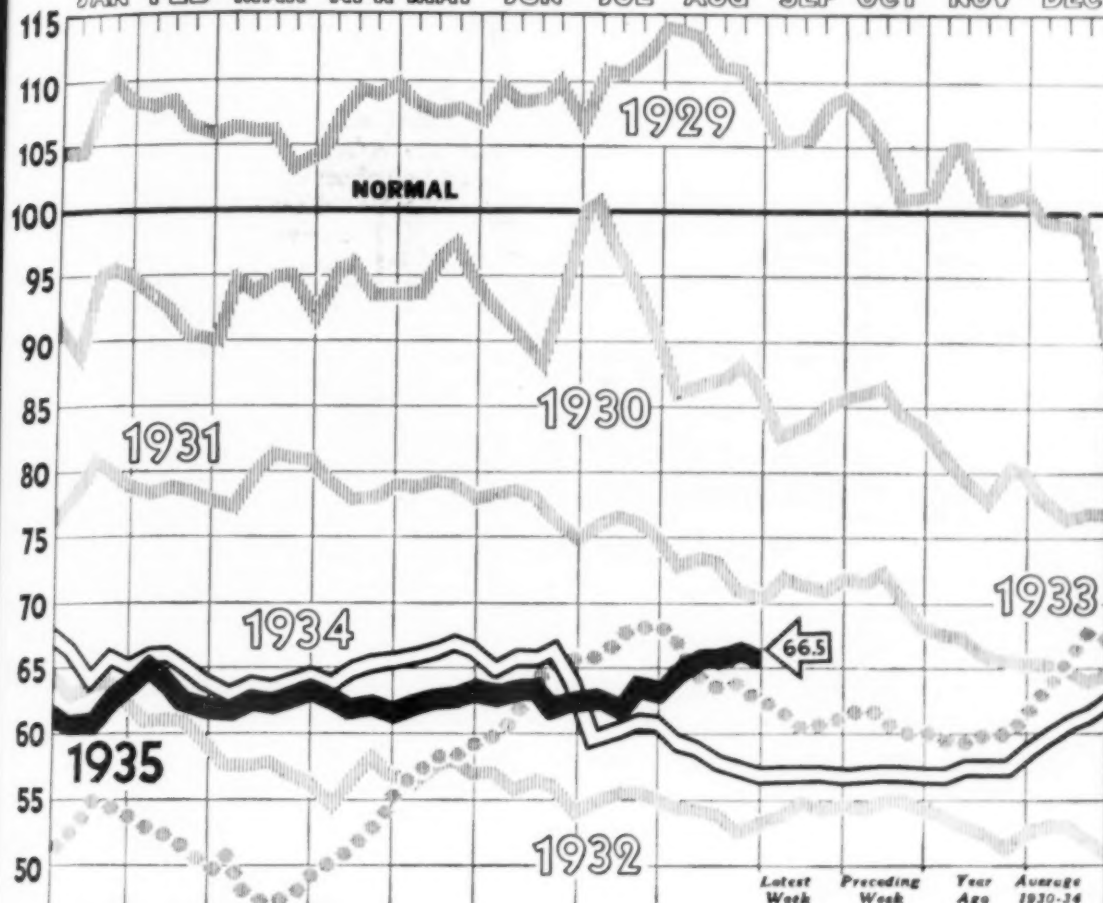
L C SMITH & CORONA TYPEWRITERS INC SYRACUSE N Y





# WEEKLY INDEX OF BUSINESS ACTIVITY

JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC



## BUSINESS WEEK INDEX

### PRODUCTION

	Latest Week	Preceding Week	Year Ago	Average 1930-34
* Steel Ingot Operation (% of capacity)	45.8	47.9	18.4	31.3
* Building Contracts (F. W. Dodge, daily av'ge, thousands, 4-week basis)	\$7,028	\$6,748	\$4,125	\$6,987
* Bituminous Coal (daily average, 1,000 tons)	1,043	1,927	1,036	1,167
* Electric Power (millions K.W.H.)	1,810	1,840	1,627	1,611

### TRADE

Total Carloadings (daily average 1,000 cars)	104	103	101	116
* Miscellaneous and L.C.L. Carloadings (daily average 1,000 cars)	67	66	64	74
* Check Payments (outside N. Y. City, millions)	\$3,097	\$3,646	\$2,703	\$3,107
* Money in Circulation (daily average, millions)	\$5,596	\$5,586	\$5,368	\$5,186

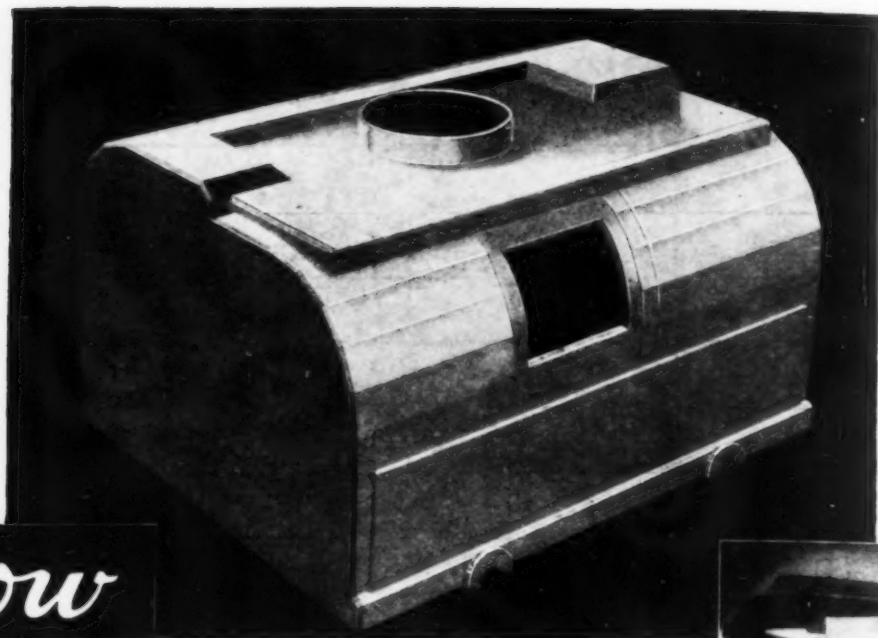
### PRICES (Average for the Week)

Wheat (No. 2, hard winter, Kansas City, bu.)	\$1.07	\$1.03	\$1.05	\$ .73
Cotton (middling, New York, lb.)	\$1.07	\$1.11	\$1.13	\$1.00
Iron and Steel (STEEL, composite, ton)	\$32.78	\$32.72	\$32.17	\$30.55
Copper (electrolytic, f.o.b. refinery, lb.)	\$0.83	\$0.83	\$0.88	\$0.83
All Commodities (Fisher's Index, 1926 = 100)	84.3	84.6	79.7	73.0

### FINANCE

Federal Reserve Credit Outstanding (daily average, millions)	\$2,476	\$2,475	\$2,464	\$1,854
Loans and Investments, Federal Reserve rep't'g member banks (millions)	\$18,533	\$18,567	\$17,708	\$16,929
* Commercial Loans, Federal Reserve reporting member banks (millions)	\$4,446	\$4,437	\$4,555	\$4,892
Security Loans, Federal Reserve reporting member banks (millions)	\$2,899	\$2,980	\$3,247	\$3,661
Brokers' Loans, Federal Reserve reporting member banks (millions)	\$930	\$1,005	\$892	\$781
Stock Prices (average 100 stocks, Herald Tribune)	\$105.48	\$105.89	\$96.49	\$114.30
Bond Prices (Dow, Jones, average 40 bonds)	\$95.94	\$96.19	\$92.73	\$90.43
Interest Rates—Call loans (daily av'ge, renewal) N. Y. Stock Exchange	1%	1%	1%	1.5%
Interest Rates—Prime Commercial Paper (4-6 months) N. Y. City	1%	1%	1-1%	1.9%
Business Failures (Dun and Bradstreet, number)	207	198	202	294

\* Factor in Business Week Index \* Preliminary † Revised ‡ 1932-34 average.



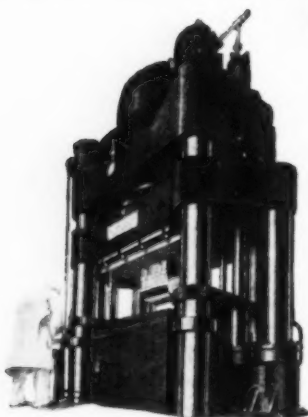
*Now*

White Plaskon scale case, 17 3/4 by 14 5/8 by 11 1/8 in., molded by G.E. for Toledo Scale Co.



The assembled scale

## LARGE G-E PRESS OFFERS INDUSTRY . . . . . Greater Opportunities for the Profitable Use of PLASTICS



### New Opportunities Which This Press Provides

Plastics, which have been used for years for machine parts, insulating materials, novelties, and other small units, can now be used for large cases, cabinets, housings, boxes, covers, and bases. It makes available to a host of industries strong, lightweight, attractive plastic molded pieces in large sizes heretofore beyond the range of molding facilities.

### Where Plastics Can Be Used Profitably

Have you considered the use of plastics in your product? Would reduced weight with adequate strength, simplified design, lustrous and lasting finish, accurate dimensions, and molded color add to the salability of your product? It will pay you to investigate the great

possibilities which are now offered for making large moldings of Textolite and Plaskon.

### Additional Information Available

Plastics Department specialists in the G-E offices at New York, Chicago, Detroit, and Cleveland will be glad to discuss designs with you. For a copy of our new illustrated booklet, "General Electric Complete Molding Service" (GEA-2156), write to Plastics Department, General Electric, West Lynn, Mass.

943-50

**GENERAL**  **ELECTRIC**

# The Business Outlook

**HOLIDAYS**—especially important ones, like Labor Day—don't make for sprightly markets. Steel activity eased a bit more; car loadings undoubtedly will show the usual dip when the records are published; motor sales are naturally tapering off, both because the motoring season is on the wane and because new models are about to move in. Nonferrous metal markets turned quiet after the best month's business in years. Retail trade was spotty. Cool weather caught many merchants with fall stocks incomplete. Crude oil markets fell into doldrums when prices were cut in two.

## But the Signs Point Up

But this situation is pretty much temporary. Unless all signs are amiss, business is on the threshold of a good autumn. Apparel trades are stepping up operations. Shoe production started up in July, may prolong its bulge into September. Buyers came into textile markets with a rush in the last days of August as price increases were posted more widely. Motor makers are pushing parts suppliers so that assemblies may get under way this month, rise more sharply in October. Machine tool producers and buyers are all set for the big Cleveland show opening Sept. 11.

## Shows Holiday Lull

The *Business Week* index covering the last week of August reflects some holiday dullness. Cool weather probably induced thrifty housewives to shut off refrigerators, thus cutting down power consumption. Steel slackness and lower check payments added their depressing weight. But freight movement toward the close of August was encouraging, heading upward in usual late summer form. Even commercial loans are expanding slowly.

## Public Works Moving

That federal public works are now getting under way becomes apparent in heavy construction contracts for August, compiled by *Engineering News-Record*. Awards of \$158.1 millions were the highest of the year. Of these \$63 millions represented federal jobs, almost double last year. Private projects were valued 59% above last year.

## Coal Votes for Peace

Signing of the Guffey bill for soft coal control averted a strike this month, but suit has already been filed to test the doubtful constitutionality of the measure. Production again spurted upward in the latter part of August, now runs slightly above the 1934 level.

## FIRM FRONT PAYS

*Cotton textile markets in late August gave a superb demonstration of leadership and of the value of a firm front. Unfavorable factors were piling up—the crop report, the Cabinet Committee report, finally the 10c loan announcement. Buyers were ready for a kill. Instead, one firm after another posted price increases. Defeated buyers scrambled for goods. Fall buying was under way.*

## Big Steel News

Steel markets were startled this week by U. S. Steel's announcement for unification of operation of 2 important subsidiaries, Illinois and Carnegie, from a new central Pittsburgh office to be directed by B. F. Fairless, aggressive executive recently resigned from Republic Steel. Coupled with this news was the additional disclosure that a well-known advertising agency had been lined up to herald a new selling policy for the formerly conservative steel giant. Trade observers believe this is but the beginning of U. S. Steel's attack against the growing competition of independent steel producers.

## Big-Customer News

Carnegie Steel also announced a \$1 ton increase in base prices with definite price differentials based on quantities for steel bars, a practice that is destined to spread to other steel products. Favoring large buyers whose orders make for more economical mill operation was a familiar practice before the code era. It will be particularly welcome to automobile manufacturers, who always protested the steel code's requirement that big and little consumers be treated alike.

## Promising Increases

Steel mills have substantial backlogs of business from Detroit against which releases should be forthcoming shortly. Some districts were able to expand activity despite the holiday by virtue of the demand for lighter steel products. Steel furniture makers report that shipments for the first 7

months of 1935 were 21% ahead of a year ago, and 125% ahead of the same period of 1933. Radio makers look forward to one of the best sales seasons in years. Washing machine sales in July reversed the downward trend that set in after the March peak, gaining 16% over June, 25% over a year ago. Gas-engine models, popular in farm areas, jumped 115% above July, 1934, sales. Electric refrigerator sales of 14 companies in July were 38% ahead of last year; value up 28%, as prices per unit are lower than in 1934.

## Detroit Getting Ready

It takes more than a holiday to dampen enthusiasm in Detroit. August production will break no records and September is likely to be even lower, but eyes are set on the feverish weeks ahead. Employment is on the rise again from the July low. Buick is particularly proud of its stable employment record this year, which will average 11 1/3 months for the working force. Parts suppliers will also be able to give steady employment to their forces this fall with the new timing of automobile models. AC Spark Plug just completed the biggest month of 1935, and the second biggest since 1929. Tire makers, too, believe they can step up production a month or two sooner than usual under the new program.

## August Car Sales

Motor sales records are slow in appearing. Complete July figures show passenger car registrations of 285,195 for the United States, a 25% gain over last year but less than 2% better than June. Truck sales of 51,243 were 37% ahead of 1934, 6% ahead of June. Trade circles believe August new car sales may have run as high as 250,000, trucks 45,000.

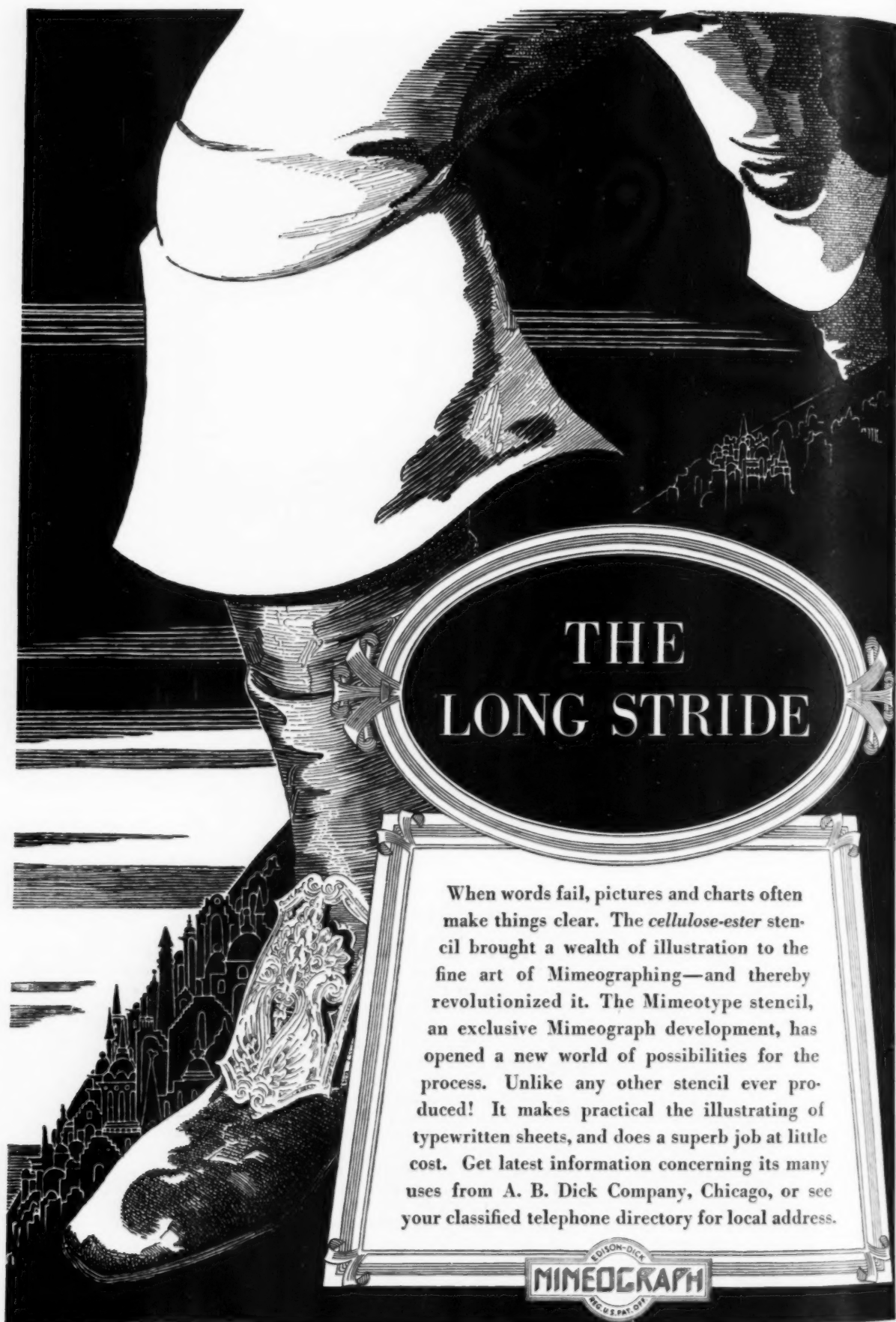
## Copper Sales Rise

August copper sales of 124,604 tons were the best for any month since July, 1930. Much of the business was placed before prices were lifted to 8 1/2¢. Rumors persist of another boost to 9¢, but producers are proceeding cautiously lest consumption be nipped in the bud.

## Oil Cut—As Expected

California was the focal point of oil and gasoline interest this week. Weeks of uncontrolled oil production prepared the trade for the inevitable price slash that, after 2 years, put an end to \$1 oil. Administration circles buzz with "I-told-you-so's" as operators cast about for some way to "plow under" excess oil. Records of the next few weeks will disclose their success—or lack of it.





## THE LONG STRIDE

When words fail, pictures and charts often make things clear. The *cellulose-ester* stencil brought a wealth of illustration to the fine art of Mimeographing—and thereby revolutionized it. The Mimeotype stencil, an exclusive Mimeograph development, has opened a new world of possibilities for the process. Unlike any other stencil ever produced! It makes practical the illustrating of typewritten sheets, and does a superb job at little cost. Get latest information concerning its many uses from A. B. Dick Company, Chicago, or see your classified telephone directory for local address.

EDISON-DICK  
**MIMEOGRAPH**  
REG. U.S. PAT. OFF.

SEPTEMBER 7, 1935

## Mussolini Won't be Stopped

Italy is doing best job of bluffing in Europe, will probably get most of Ethiopia as reward, but the game will not end there.

ABOUT 6 months ago Italy started something south of Suez that has developed into a game of bluff which is now being played by all Europe. Ethiopia is the apparent pawn; actually, much vaster territories are involved. It is a battle for colonies which can supply the mother countries with raw materials and markets. England and France have them. Italy, Germany, and Japan lack them. Russia—still outside the squabble but intensely interested—has in one great unit all of the territory that she can handle for the present, but is intent on maintaining every inch of this. Mistrust of Japan forces Moscow into the lineup with Britain and France.

Germany actually called the bluff first—and without premeditation—when threatening economic collapse broke Berlin's financial obligations under the Versailles treaty. Japan took the second major stroke when she stepped into Manchuria to "settle" an incident threatening Japanese property and found the rest of the world too busy to stop her from swallowing the whole of that potentially rich territory over which China had only a tenuous hold.

### Germany Started Trouble

Germany took the next step by abandoning the League, openly rearming, and asking a return of the former colonies. No one raised more than a faint protest. Potential opponents were too much absorbed with economic worries to have time for anything abroad unless it threatened them immediately. And they were too mistrustful to take a united stand on any question.

Mussolini's bluff is the latest. He has promised to make Italy a first-rank power again. But Italy cannot lift herself out of mediocrity without assured sources of raw materials and markets. Ethiopia is the last free piece of Africa.

Entrenched there, Italy will be in a better position to bargain firmly with both France and Britain. And—in case Germany is given a few of her old colonies as the price for sticking to her present boundaries in Europe—Mussolini is not confronted with the ignominy of explaining to his people (who helped defeat Germany in the world war) how Hitler got something for Germany

while Mussolini could wangle nothing more than parched Libya and malarial Somaliland for the Italians.

Mussolini is bluffing when he says Italy is "ready for anything." He is counting on holding the French on his side by the threat to ally himself with Hitler if they leave him. He believes Britain will refuse actually to declare war on Italy. France is backing him up because France badly needs Italian support against Germany, though actually France will never break with Britain. She's bluffing now, trying to play ball with both London and Rome. The British are counting heavily on the past reputation of their navy and their reputed military strength. Actually, they have probably never faced a threatened outbreak less well prepared. And the League is pretending it is arbiter, when actually there is nothing it can do effectively to prevent trouble, even if it would.

There was no bluffing on the part of Washington when it declared it would have no part in the struggle, even if a rumored Ethiopian oil concession to American interests were confirmed. The bluff in this case was the naïve belief

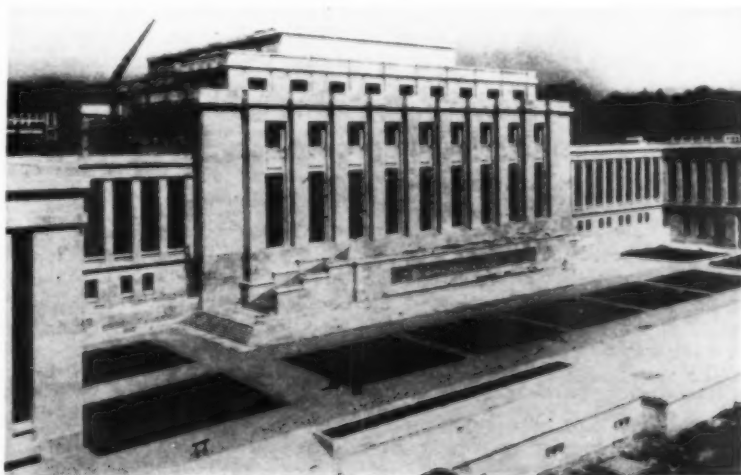
of Haile Selassie (if he did believe it) that such a concession would win for him American support.

The week's gossip in oil circles can readily be accepted. Old-timers point out that there are always roving adventurers who make deals with small governments for concessions in territory little known. These men then offer to sell the concessions to big commercial interests. If the property proves valuable, everyone profits; if nothing develops, the adventurer is out only his time. Chances are he has enough such coals in the fire to stand the loss of one or two of them. Whatever the details of the deal that startled the world at the end of last week, the effect is pretty well washed out now.

### Prologue by Mussolini

Behind the scenes in Paris, London, Geneva, there is full confidence that no amount of discussion this month is going to stop Italy. General feeling now is that Mussolini will start his African advance within the next few weeks, that he is likely to have sufficient apparent success during the coming dry season to come to terms with the other powers concerned over the disposal of Ethiopia (France and Britain) and save his face at home. Behind all of the formalities in Europe, this outcome would please most people now.

But there is the possibility—which business can never get out of its mind—that, puffed up by a few quick victories, he might make excessive demands which would pull Britain into the strug-



**PERMANENT PALACE FOR IMPERMANENT PEACE**—By an ironic twist of fate, the \$5-million League of Nations building nears completion just as the League is confronted with the gravest problems in its history—issues growing out of the Ethiopian crisis which threaten to liquidate the League in another European war.

gle, and ultimately create such a division of forces that Germany would strike out for the wider boundaries

which Berlin claims are necessary for the country's economic existence. After that—the Second World War.

## Subsidies for Home Builders

**Washington has plan to launch housing boom by offering government money to help pay for mortgage.**

WASHINGTON (*Special Correspondence*)—A direct subsidy will be the Administration's next attack on the housing problem. The plan calls for the use of government money to cover the spread between current rates on mortgage money and rates that the government considers necessary to bring the cost of shelter down to mass market levels. The subsidy will not be uniform and it will be selectively applied. That point should be stressed. There is no intention of subsidizing all residential construction. However, the Administration believes the final effect will be to lower all mortgage interest rates.

The program is still in an embryonic stage, but it is being carefully developed by men who place a high estimate on the importance of a housing boom to the heavy industries, to labor, to recovery. Congress will be asked in January for such legislation as is needed.

Under the setup now being discussed, this government aid will go to builders of homes for rent as well as for sale. Recognition has at last been given to the fact that thousands of families never can afford to buy a home, no matter how cheap, and that many cannot afford adequate accommodations at rents based on present mortgage rates.

### Must Go Lower

As Washington sees it, the 5% rate (plus  $\frac{1}{2}$ % for insurance and  $\frac{1}{2}$ % for service) which FHA is trying to establish by insuring mortgages, doesn't go low enough to reach a vast volume of potential construction. None of the government's expeditions, so far, has penetrated very deeply into the housing problem. Subsistence homesteads have proved difficult to set up on a subsistence basis. Limited-dividend corporation projects that rent for rates still too high have been abandoned in favor of government-built low-rent apartment structures that can't be built to house any considerable portion of the population without thrusting the government into gigantic debt.

The new plan, in which FHA's insured mortgage system would be relied on to obtain the participation of private capital, is heading up in the Treasury Department. That department recently drafted Peter Grimm, president of William A. White & Sons, New York rental agents, for 6 months of housing advice out of a lifetime in the real estate busi-

ness. A one-time anti-Roosevelt Republican, he is ambitious to do something about housing that clicks with the President's objectives.

Grimm is widely known as a pleasant-spoken, smooth, shrewd, forthright opponent of municipal extravagance. He was chairman of the Citizens' Budget Commission in Jimmy Walker's hey-day. His dominant role in the housing program now shaping up arises from his immediate job as harmonizer of all federal agencies in the mortgage and building business. At 49, he has become the New Deal's realtor.

## Kallet vs. Schlink

**When Consumers' Research workers strike, a famous team splits up and Advertising's Enemy No. 1 heads into heavy weather.**

HIGH on the list of radical irreconcilables, for whom business reserves some special wrath, has long appeared the name of Frederick J. Schlink, president of Consumers' Research, Inc., private agency which advises subscribers on the merits and shortcomings of the things they buy—with emphasis on the shortcomings.

This week, the list was up for revision as Consumers' Research went ultra-conservative and its president turned "reactionary." Strikers, picketing CR's closed offices in Washington, N. J., announced these facts to a grinning advertising fraternity, which has suffered much from such attacks as Kallet and Schlink's "100,000,000 Guinea Pigs."

Labor problems have plagued CR for some time. Among its 70 employees turnover has been high, discontent common. Ten days ago, difficulties came to a head. Weeks of union agitation directed by an organizer for the Eastern Central Labor Board, were concluded in the establishment of the first and only chapter of the Technical, Editorial, and Office Assistants Union, an A. F. of L. federal union.

John Heasty, local president and for 6 months CR's chief chemist, presented to President Schlink on behalf of the 40-odd union members a petition for recognition and establishment of a shop grievance committee. Few hours later, chemist Heasty, publicity man John



**NEW DEAL REALTOR** Administration's new housing plan: head up in Treasury office of Peter Grimm, prominent New York realtor.

Kilpatrick and proofreader Donald Rogers—all active in the union—were ousted. Reason: "Incompetence."

The union added a demand for the rehiring of the 3, threatened a strike as the only alternative. President Schlink called into action his board of directors, composed of himself, his wife M. C. Phillips ("Skin Deep"), J. B. Matthews ("Partners in Plunder") and Dewey Palmer, CR's chief technician. Presumably left wing to the core, the board proceeded to out-Herod Herod. When Dewey Palmer objected to strong-arm tactics, he was asked to resign.

### Kallet and Schlink Break

More than a week of effort to reconcile the board to the union came to naught, despite the best efforts of Arthur Kallet, CR's secretary (at no salary), long-time friend of Schlink's, ardent pro-labor sympathizer. With that failure, the famous partnership went phht! When the ultimatum was delivered—and refused—on Wednesday night, the strike was voted. Thursday morning found 60 of CR's 70 workers on the picket line.

What effect the situation will have on the future of Consumers' Research is conjectural. Certainly its influence as a radical element will be dissipated. And since most of the 60,000 subscribers who pay \$3 a year for its confidential service are presumably liberally inclined, publishing men who know their circulation problems argue it will go hard with CR. In that estimate there is more than a grain of wish-thinking, for among those agencies which are blamed for the current wave of consumer distrust, Consumers' Research is universally ranked as Advertising Enemy No. 1.



# Big Steel Goes for the Market

**With a new merchandising man on top of a new combination of subsidiaries and an advertising agency on the job, U. S. Steel moves out for a bigger share of business.**

UNITED STATES STEEL has its own trade and the entire industrial world buzzing with excitement. News that suggested big things in the making started breaking in a rapid fire of announcements last week covering:

(1) Plans to throw those 2 giant subsidiaries, Carnegie Steel of Pittsburgh and Illinois Steel of Chicago together, not in a corporate consolidation (at least not immediately), but as an operating and merchandising unit.

(2) Induction of B. F. Fairless, hired from Republic Steel Corp., merchandiser as well as operator, and an alloy steel man, as head of the combined heavy steel units of the family.

(3) Establishment of headquarters for the combination at Pittsburgh, to re-instate that city as the unquestioned capital of the industry.

(4) Hiring of another outsider, James S. McKesson, formerly sales manager of Corrigan, McKinney, to launch a new iron merchandising division for Carnegie.

(5) Plans of a new iron supply service calling for immediate production and stocking of Bessemer, basic, malleable and foundry iron "sufficient to meet all requirements of the trade."

(6) Publication, for the first time, of

quantity discounts on one type of steel, with, incidentally, a 5c per cwt. advance in basic price for the fourth quarter.

(7) Retaining of Batten, Barton, Durstine & Osborne, advertising agency, the first major advertising organization ever engaged by the corporation, with hints of a broad campaign of institutional advertising and public relations work that will utilize the special "editorial" copy that has brought Bruce Barton fame.

Putting points 1 to 7 together, steel interests deduced that U. S. Steel was out for a bigger share of the business, including some of the specialty and alloy business to which the nimbler independents have beat it recently. Predictions were current that American Steel & Wire and American Sheet & Tin Plate would follow the lead of their 2 big brothers by getting together for co-operative advantages. Ahead may be widespread corporate simplification, somewhat depending upon whether the tax burden of holding companies begins to outweigh their operating and legal conveniences.

Particular note was made that no executive title was designated for Fairless, although he moves into one of the biggest niches the vast steel industry has

ever created. The trade respects the Fairless record. He grew up around the old Central Steel Co. plants in Massillon, O., but tried school teaching and rail-roading before he finally went to work for Central. When Republic took over Central Alloy Steel, into which Central had been merged, he was president and credited with the aggressive development of alloy steel in which his company had led the entire industry.

As executive vice-president of Republic, he has been Tom Girdler's right-hand man in welding the far-flung miscellany of plants and activities that were thrown together in 1930 to make the third largest unit in the trade.

He was enough of a merchandiser to be made chairman of the commercial and merchandising committee of the Steel Code Authority and price setter for the industry during NRA.

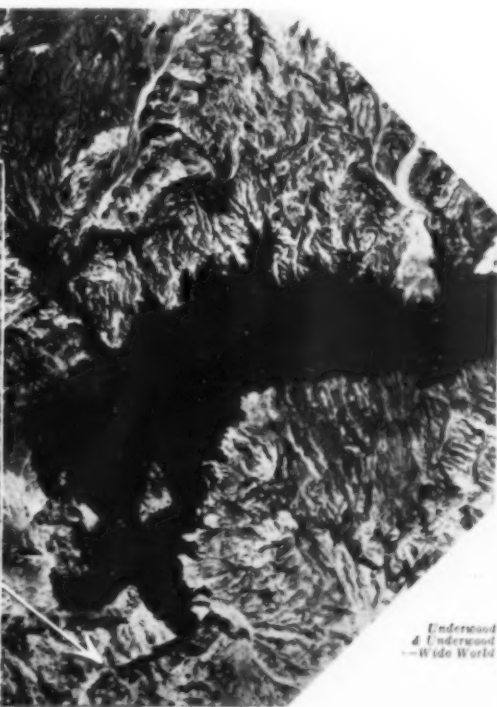
Elevating a salesman, organizer, and alloy enthusiast to a position where he has charge of 20 million tons of the country's 70 million tons of ingot capacity is enough to set the trade talking.

## \$1-Million Train

**Marshall Field's Merchandise Express exceeds sales expectations.**

MARSHALL FIELD & Co.'s Merchandise Express, the 11-car train fitted out with a full display of the wholesale division's goods (BW—Jun 29 '35), passed the million dollar sales mark last week when H. E. Edberg, drapery and curtain buyer of J. L. Hudson Co., Detroit,

**MAKING MAN'S LARGEST LAKE**—Seven months after gates in the dam were closed, Boulder Lake has backed 85 miles up the narrow Colorado Canyon. How it has filled in is indicated in the 200 sq.mi. aerial photograph. In the close-up view the figures of men are barely discernible atop the dam. In the aerial shot Boulder Dam itself appears as little more than a dot.



Underwood & Underwood  
—Wide World

affixed his signature to an order for some of Field's lace curtains. Thus did the "store on wheels" fulfill ambitious dreams that sales "might even reach a million dollars."

Detroit responded most gratifyingly to the visit of the *Express*. Buyers from every department store flocked to the train and placed orders for immediate shipment as well as for fall and holiday

requirements. Business topped that in any of the 40 other cities visited in tours so far.

Fourth *Express* tour started this week, a 30-day trip through the South and Southwest, with calls at 16 cities in Iowa, Nebraska, Kansas, Oklahoma, Texas, and Missouri. A brief stop Sunday in Chicago was used to add new samples to the lines on display.

their hides. If they fight back, further price cuts are inevitable.

### Big Fellows Have Edge

At present rates, it is impossible for crude producers to sell at a profit unless they have refining facilities. The big fellows, not only because of inexhaustible reserves, but because they have ownership all the way down to the roadside filling station, can hold out indefinitely. Profits of all companies are bound to suffer. Screams of market from "the little fellows" are sure to be heard in Sacramento and Washington. Every squawk will lend force to the Roosevelt Administration's demand for federal control, which is sure to be revived at the next Congress.

Since May 27, when codes became extinct, the California industry has been struggling to form some voluntary agreement. Objective was to sign up companies representing 95% of production. About 70% had been brought into line; the rest were adamant. Since June 1, there has been a tendency to break away from proration until, at the time Standard announced its action,

## Oil Price Crash

### Standard of California and other majors reduce payments for crude; Ickes says "I told you so."

WITHIN 3 days of Congress' adjournment, Standard Oil of California took a runaway production situation by the neck and cut the heart out of quotations on crude. Price on 27 gravity was reduced from \$1 to 50¢ a barrel. Other majors followed suit. The drastic operation was performed as a bold bid for recovery in a hopeless tangle. Alternative remedies were (a) hiked gasoline prices, (b) reduced production of wildcat crude. On these alternatives action couldn't be applied because the doctors were too busy clawing at each other's beards.

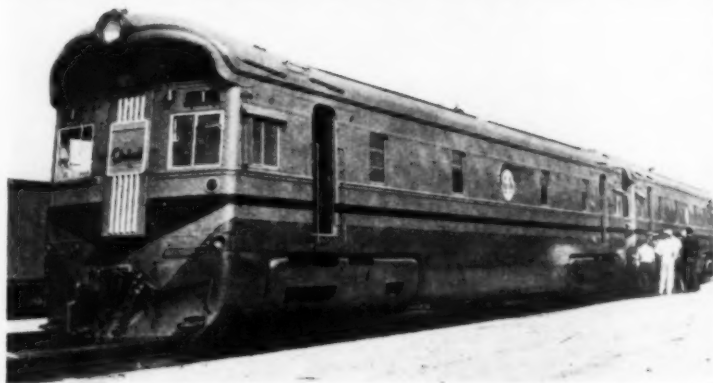
At the news, the Roosevelt Administration grinned like a cat that has swallowed an eagle. This is the first real cut since 1933, when the government applied control through the Petroleum Code. Folks are already pondering fearfully the possible return of 10¢ crude. The break comes at the post-Labor-Day slump in gasoline demand, a period traditionally consecrated to fancy conniption fits in retail prices.

The only new petroleum control legislation to get past the last Congress was a resolution ratifying the interstate oil compact. This treaty seeks to prevent physical waste, puts compliance up to industry and the states, vests mild authority in a compact commission which Texas dominates. Secretary Ickes, late oil commissar, has always derided such "gentlemen's agreements" in oil. The explosion in California, coming before the compact is out of diapers, gives him vast satisfaction.

### Needed an Alibi

Shrewdly, the Administration urged ratification of the compact when it became evident that the Ickes ideas of rigid federal control couldn't make the grade. Had Congress failed to take any action, the New Dealers might have been charged with responsibility for price collapses. They sanctioned the compact though convinced that the thing couldn't work. They were always asking, "How can the compact hold in states that don't sign it?" California hasn't ratified the compact.

California Standard's move was meant to be constructive. Non-conformist well owners were producing without regard to allowables and retail price-cutting was rampant. The majors couldn't keep on buying crude at \$1 a bbl. With the crude price cut in half, integrated companies can force smaller producers into line or take it out of



**PIONEERING DIESELS**—Powered with 3,600 hp. Electro-Motive diesels and with G-E generators, these two new units, first of their type in America, will put the efficiency of diesel passenger locomotives to a critical test. B.O. will pit its model (above) against new steam locomotives under "laboratory" conditions. Santa Fe, competing with Union Pacific's lightweight streamliner, expects its diesel to chop 15 hours from the schedule of its crack Coast train, the Chief.



**RECORD REFUELING**—Today an army moves on its gas supply. At the recent Pine Camp maneuvers, where Army officers tested the practicability of almost 100% motorization, Socony-Vacuum officials developed a new technique whereby its Mobilgas trucks refueled vehicles at the rate of 100 gal. a minute. By means of overhead hoses on portable racks, 4 lines of vehicles were serviced at once.

California production exceeded 600,000 bbl. a day against an estimated consumption demand (U. S. Bureau of Mines) of less than 520,000 bbl.

California's importance as an oil center is still great. Six or 7 years ago, before discovery of the East Texas fields, large quantities of California crude were shipped to the Atlantic seaboard and other parts of the world. Now chief market of California oil products is the Pacific Coast. "The mild winter climate, good roads, and the fact that the population is 'touring minded,'" contribute to a high consumption of petroleum products.

Potential production of wells in the state, operating and shut in, is reported

as over 1,700,000 bbl. daily. About half the actual production is marketed in the form of gasoline. Prior to the cut in crude prices, the wholesale value of manufactured products in the industry was close to \$1 million a day. Assuming the retail value as double, the importance of the industry to California exceeded \$700 millions a year. California oil organizations are trying to get a shutdown of principal producing fields until something can be done about stabilization. Some well operators already have agreed to stop pumping. The entire industry is anxiously watching. Gasoline prices in the Northeast already are showing signs of the September shakes.

## Machine Marvels of 1935

**Problems of high speed and intricate control stand out at machine tool show, opening in Cleveland Wednesday. Ten thousand business men are expected to attend.**

CARLYLE said, "Man is a tool-using animal. . . . Without tools he is nothing, with tools he is all." America has turned to more and better tools to work its way out of economic illness. That is the significance of the Machine Tool Show, which opens in Cleveland Wednesday.

In the 6 years since the National Machine Tool Builders Association has exhibited, there has been intense activity in design engineering and product improvement throughout industry. And progress in machine tools has been the mainspring of this whole advance.

So from all over the country next

week men of industry will be flocking to Cleveland, not just because this show, with 233 exhibitors, covers 50% more floor space than the last one did, but because of the importance of what they will find there. There will be a private preview Tuesday afternoon, at which the presidents of some 300 leading manufacturing companies will see the show by invitation. There will be no selling that day. But the machine-tool builders will demonstrate the new developments in their equipment; and such demonstration is the smartest selling possible. For when the works manager comes back and clamors for an

appropriation for new equipment, the Big Boss will understand.

Probably more than 10,000 people will visit the show from Sept. 11 to 20, admittance being by business card only. The public is barred. Many manufacturers in the metal-working industry send large numbers of their own people to pick up ideas. Pratt & Whitney sends all its foremen, for example. Dealers come in throngs. The Philadelphia Machine Tool Dealers Association sends a special train. The Cincinnati Milling Machine and Cincinnati Grinders, Inc., provides a special to carry any employee of its shop or office who wants to spend a day at the show. Everybody will be studying his competitor's machine, including a delegation of 40 German machine-tool builders, and parties of Russian, French, and other nationals.

### Here Are the Features

They will all be looking for some definite things—the outstanding features of machine progress which will be exhibited here *en masse* for the first time:

(1) High-speed operation, made possible by the high performance of the new cutting materials—cemented carbides, Stellite, and high-speed steels.

(2) Sturdier construction to carry the higher speed and greater power, accompanied by streamlining, enclosed construction, safety, and ease of operation.

(3) Multiple tooling devices to save handling-time, a trend towards sequential operation in one setup, multiple cuts taken simultaneously, and wider feed and speed ranges.

(4) Comparison of electric and hydraulic control, where 2 schools of thought are competing hotly, with electric control showing marked gains in the past 2 years. And this control is not hung on the machine but built into it.

(5) Automatic lubrication of gears, ways, and bearings, as well as of secondary mechanisms, and a more generous use of coolants.

(6) New materials, such as aluminum alloy heads that run with speeds impossible to heavier steel, also high-strength cast-iron with its superlative ability to lubricate itself and to absorb vibration, as well as steel for ways where the wear is great.

### New Limits of Accuracy

(7) New limits of accuracy so precise that Ford is air conditioning his new cylinder block shop so that the temperature changes will not throw out the tolerances.

(8) Brand new wrinkles like New Departure's "Transitorq," now installed on several types of high-speed machines to eliminate gear changing and head stocks and avoid chattering.

There is as much difference between a pre-depression machine tool and



those that will be shown in Cleveland next week as between a 1935 and a 1929 automobile. It is planned and built anew in design, operation, performance, and economics.

#### An Adjustment Job

And in every manufacturer's mind as he studies the show will be the problem of how to adjust his personnel to these higher speeds and more intricate mechanisms. There has been a 35% shrinkage in skilled machinists during the depression by death, dismissal, change of job, and lack of recruits. Now on top of it comes a partial re-education of these essential tool-tenders.

Recently a big planer-type milling machine was installed in a large factory. An expert machinist with 15 years' experience was to put it into work before the interested group of officials. When he stepped up to the control panel of 40 push buttons—duplicated in 2 locations—his hand trembled and his face was white. He was afraid he would bungle it and burn out a relay or a motor. He forgot that if he did, it would be of far less consequence than if he stripped a gear on the old mechanically driven machines.

Industry will be studying this new mental hazard next week. The problem is to take the fear out of this new machinery, which has already eased the physical burden on the worker.

## Shoe Men's Treaty

**New York retailers have plan, to last till Christmas. Store can cut prices, but can't brag of it.**

MARK-DOWN sales of shoes are to be taboo in Greater New York from now until Dec. 24 if shoe retailers of that area rally to the plan just proclaimed by the Shoe Merchants Council in cooperation with the National Shoe Retailers Association.

Already many shoe store owners have signed the "treaty," which John Laycock, president of the council, has sent to every member of the industry. It requires that the use of such terms as "mark-down," "clearance," "reduced from," "comparable," etc., and also the quoting of comparative prices, be discontinued for the term of the treaty; no premiums or goods are to be given away, and no "reduced price" sales of shoes are to be advertised or held. However, price reductions may be effected if they are reasonable, but they must not be announced or advertised. There is no other limit on the amount or scope of promotional activities.

Advocates of this plan hope it will work so well that the treaty term can be extended after the first testing period expires. They know that independent

retailers can expect the cooperation of the regular chain shoe stores, because they always sell at one price only, and rarely run mark-down sales. They are less certain about department stores, because some of the large stores have shoe sales as one of their regular features, often staging huge events in which brands of shoes nationally advertised at a fixed price are offered at substantial reductions. These will be more reluctant to give up a practice which is definitely known to boost sales, not only of shoes but of many other commodities.

#### Price Raiders

Another problem that this treaty arrangement will not solve is one arising out of the increasing number of cut-price shoe stores that are invading the shopping centers of larger cities. These are conducted much along the lines of the super cut-price "pineboard" drug and cosmetic shops, familiar to shoppers in many places.

They take possession of well-located stores, generally under a temporary percentage lease, and announce that they have large stocks of advertised brands of shoes that they will sell at fractions of the advertised prices; but generally they try to sell the consumer cheap and unknown goods that are never worth more, and are often worth less, than the prices asked for them. These stores belong to no association, are considered the pirates of the trade, and aggravate the troubles of the independent shoe retailer.

Retailers in other large cities are watching the New York experiment with much interest. John J. Holden, manager of the National Shoe Retailers Association, is cooperating with the New York group, and will probably start similar treaty groups elsewhere, if the plan works in New York.

## Cream of the Market

**A handful of states are far ahead of the rest in sales during the first half of the year.**

LAST week, *Business Week* presented its regular round-up of business by states for the first half of 1935, compared with the same period in 1934, indicating that the best gains on a regional basis fell among the Pacific Coast and East North Central states. This week, on page 14, we've crammed on maps actual sales results of the first 6 months of this year in 6 important fields to give a bird's-eye picture of market concentration.

In the 20 states shaded on these maps there is about 80% of the business in each of these fields. From one-third to one-half the volume is within the leading 5 states, another fifth in the next 5, and still another fifth in the next 10.



**UTILITY EXECUTIONER**—Just appointed to the post on the Securities and Exchange Commission made vacant by the resignation of Ferdinand Pecora some months ago, J. D. Ross, manager of the Seattle municipal electric plant, is generally considered as the man whom the President has deputized to see that the holding-company death sentence is carried out.

Here's the percentage distribution in that order:

	First 5	Next 5	Next 10	Total
Passenger car sales	36.7	22.0	20.8	79.5
Refrigerator sales	41.8	19.7	17.6	79.1
Life insurance sales	50.0	18.4	15.7	84.1
Farm income	32.9	20.9	25.0	78.8
Electric power output	44.1	17.4	20.2	81.7
Heavy construction	42.2	19.6	18.9	80.7

California is the only state that appears among the first 5 in every classification, ranking second in electric power production, heavy construction awards and farm income; fourth in passenger car and ordinary life insurance sales; fifth in electric refrigerator sales.

New York and Ohio rank among top-notch states in 5 instances, New York taking first in power output, construction, passenger car sales, and insurance sales; and second in refrigerator sales.

Ohio gets fourth place in power production, construction, and refrigerator sales; and fifth in sales of passenger cars and life insurance.

Placing creditably in 4 divisions are Pennsylvania and Illinois, the latter taking first place for refrigerator sales, third place in construction, life insurance sales, and farm income, while Pennsylvania took second place in passenger car and life insurance sales, and third in power production and in refrigerator sales.

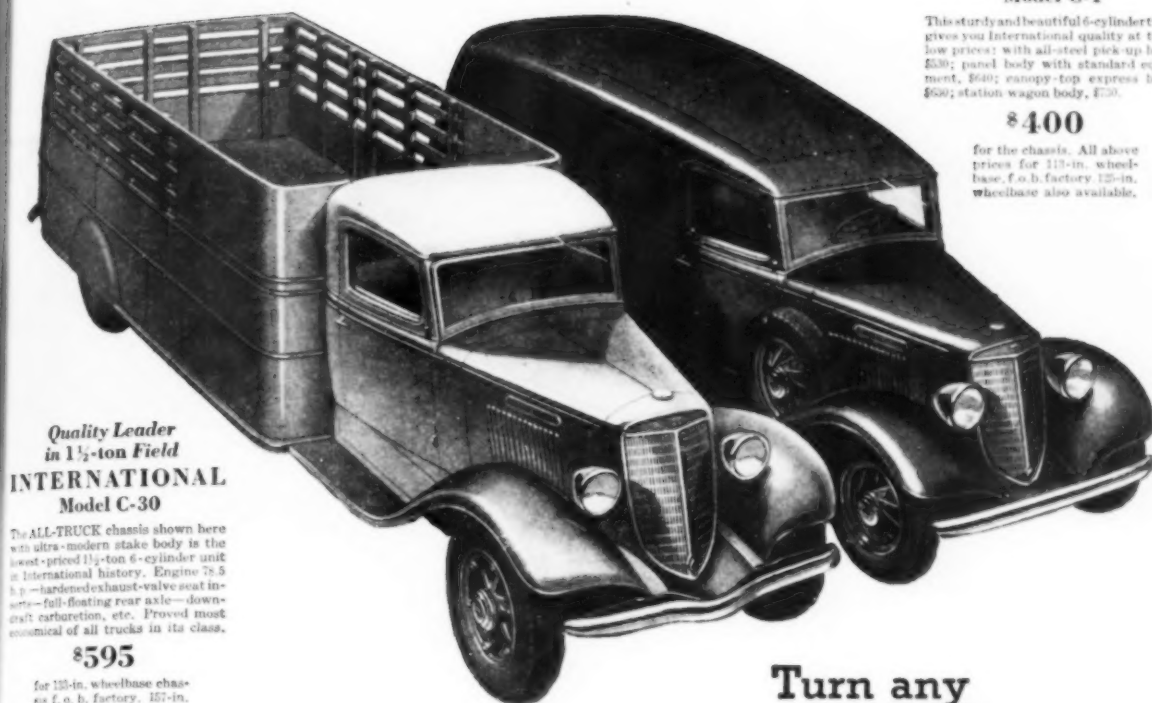
This handful of states, plus Michigan, which rates a place among the Big 5 in 2 instances, and Iowa, Texas, and Minnesota, which are important farming areas, are the cream of the sales markets.

**Popular Half-Ton  
INTERNATIONAL  
Model C-1**

This sturdy and beautiful 6-cylinder truck gives you international quality at these low prices: with all-steel pick-up body, \$530; panel body with standard equipment, \$640; canopy-top express body, \$680; station wagon body, \$730.

**\$400**

for the chassis. All above prices for 115-in. wheelbase, f.o.b. factory. 125-in. wheelbase also available.



**Quality Leader  
in 1½-ton Field  
INTERNATIONAL  
Model C-30**

The ALL-TRUCK chassis shown here with ultra-modern stake body is the lowest-priced 1½-ton 6-cylinder unit in international history. Engine 75.5 h.p.—hardened exhaust-valve seat inserts—full-floating rear axle—down-draft carburetion, etc. Proved most economical of all trucks in its class.

**\$595**

for 125-in. wheelbase chassis f.o.b. factory. 157-in. wheelbase also available.

**Turn any  
hauling problem  
over to the FULL LINE of  
INTERNATIONAL TRUCKS**

Tens of thousands of men are doing just that today — *investing* their transportation dollars in International Trucks, for the soundest of practical reasons.

Apply the International solution to your hauling problems—*whatever they are*. International Harvester is at your command with a complete line of trucks ranging from sturdy Half-Ton units in the low-price field up to powerful Six-Wheelers for the heaviest hauling.

Cash in on International's 30 years of TRUCK development. Consult the near-by International branch about any regular or *special* need for truck chassis and body equipment. Turn your hauling over to International and you can always bank on *liberal returns in performance and economy*.

**INTERNATIONAL HARVESTER COMPANY**  
606 So. Michigan Ave. **OF AMERICA**  
(INCORPORATED) Chicago, Illinois



**INTERNATIONAL TRUCKS**



International 1½-ton chassis with ultra-modern refrigerator body of 450-gallon capacity.



Example of streamlined oil tank available on various International chassis of 1½ tons and up.



Dump body on International 4 to 5-ton chassis. International today offers the truck user 26 models, in 79 wheelbase lengths.



International streamlined panel stake truck, shown on 2 to 3-ton chassis.



Six-Wheel Internationals of various capacities may be had in both trailing and dual-drive axle types.



International Tractor-Trucks are available in many sizes. World's largest Company-owned truck service organization (230 branches in U. S. and Can.) makes International favored truck with cross-country haulers.

# ORDER OF BUYING PRECEDENCE

How the States Ranked as Markets in 6 Fields During the First Half of 1935

Five Leading States

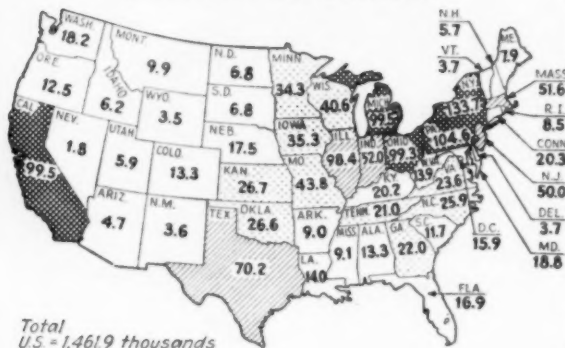
Next Five

Next Ten

All Others

## PASSENGER CAR SALES

(Number—000 omitted)



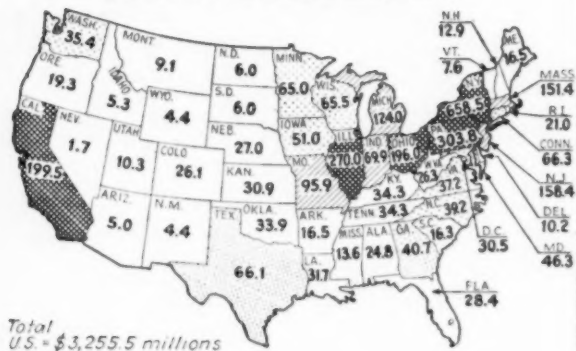
## HOUSEHOLD REFRIGERATOR SALES

(Number—000 omitted)



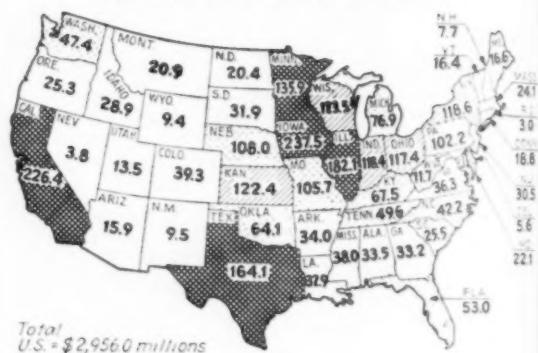
## ORDINARY LIFE INSURANCE SALES

(Dollars—000,000 omitted)



## FARM INCOME

(Dollars—000,000 omitted)



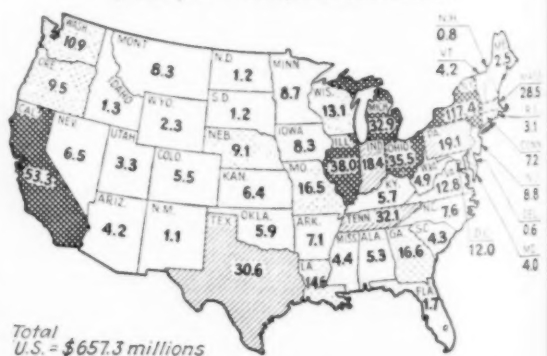
## ELECTRIC POWER OUTPUT

(kw.-hrs.—000,000 omitted)



## HEAVY CONSTRUCTION CONTRACTS

(Dollars—000,000 omitted)



BUSINESS WEEK



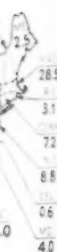
1935

Others

SALES

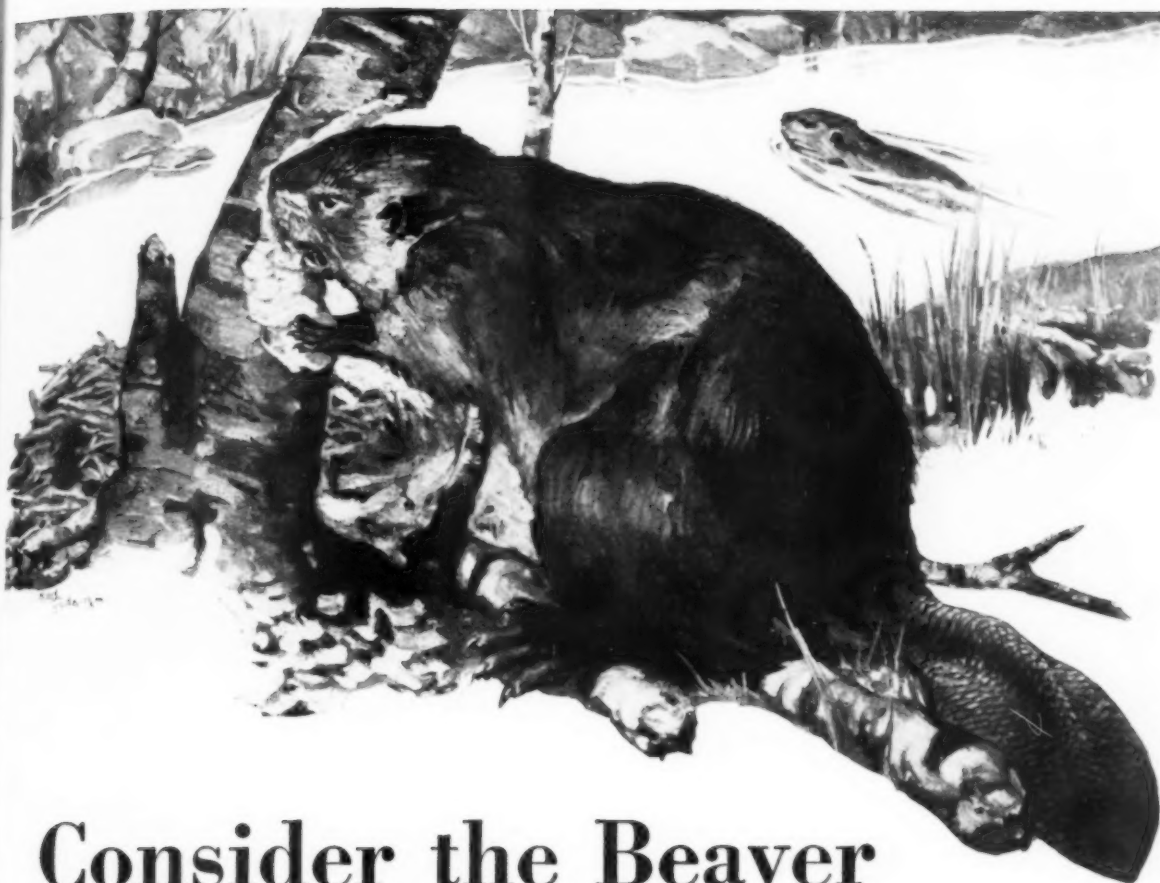


ACTS



WEEK

SS WEEK



## Consider the Beaver

**T**HIS industrious little fellow will dam a river—build two, three, or more rooms according to the size of his family—lay up ample winter provisions to safeguard against hunger—and help his young to build their own homes. This is his method of insuring his own and his family's future.

Man, like the beaver, must look ahead if the future of his family is to be safeguarded. The best the beaver can do is to provide for only a year or so, whereas man can arrange through a program of life insurance for the security of his family and himself for many years to come.

*The Metropolitan issues life insurance in the usual standard forms, individual and group, in large and small amounts. It also issues annuities and accident and health policies.*

*The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.*



A well thought-out Program of Life Insurance answers the questions "Who will pay the rent if anything happens to me?", "What will my family live on?", "How will my children be educated?", and "Shall I have a fixed income when I wish to retire?". You can be assured through such a Program that the future necessities of your family will be provided and the attainment of your hopes and ambitions made possible.

Let a Field-Man help you to plan a Life Insurance Program to meet your individual needs. Telephone the nearest Metropolitan office, or mail the coupon.

Metropolitan Life Insurance Co.,  
1 Madison Ave., New York, N. Y.

(W)

Without placing myself under any obligation,  
I would like to have information regarding a Life  
Insurance Program to meet my needs.

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_

STATE \_\_\_\_\_

## METROPOLITAN LIFE INSURANCE COMPANY

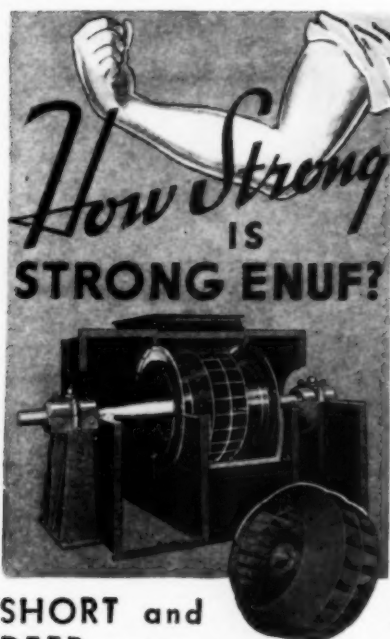
Frederick H. Ecker, President

One Madison Avenue, New York, N. Y.

© 1935 M. L. I. CO.

SEPTEMBER 7, 1935

15



## SHORT and DEEP versus LONG and SHALLOW . .

Clarage Equipment "can take it"—make no mistake about that. As example, our new mechanical draft fan—Type RT—built like a battleship.

And typical of Clarage Apparatus, expert engineering as well as heavier and better materials helps to make this RT Fan first in its class.

The RT Wheel—most vulnerable part of any fan—is designed with short, deep blades, as against the ordinary practice of using long, shallow blades. Short, deep blades are over twice as rigid, more than twice as strong.

How strong is strong enuf? We believe that strong enuf must represent a quality equal to any service condition—a quality that knows no compromise with the wear and tear of continuous operation year after year.

## SPECIFY CLARAGE ALL DOWN THE LINE

For air handling and conditioning services. Clarage quality is available no matter what you need. We make everything required from small ventilating blowers to complete air conditioning systems for industrial and commercial use.

Nearly 25 years' experience, constant research and development are back of Clarage products. This means RESULTS WITH UTMOST ECONOMY—savings that are tangible and real.

To consult Clarage is to have expert opinion. Write for any information desired. CLARAGE FAN COMPANY, Kalamazoo, Mich. . . Sales Engineering Offices in All Principal Cities.



# CLARAGE

AIR HANDLING AND CONDITIONING EQUIPMENT

*Expertly Engineered*

## Newspaper Offensive

Led by Chicago Tribune, 50 papers join forces to sell advertisers on the "Point of Shopping" medium.

No official tonnage records are kept, but W. J. "Jerry" Byrnes, hard-working promotion manager of the Chicago Tribune, is probably responsible for more of the promotion literature which constantly inundates the offices of national advertisers, retailers, and advertising agencies, than any other man who has advertising space to sell.

And most of Byrnes' broadsides and trade paper messages are devoted to hard-hitting salestalk on the Tribune's wide Middle West coverage which gives it the lowest general milline rate in America. Such aggressive copy, poured out in such overpowering profusion, has naturally bred some bitter conflict. Notably, with Col. Frank Knox's News, which likes to extol its concentrated coverage in Chicago.

### Sales Promotion Carnivals

Incidental byproduct of this civil war—actually a free-for-all, for Hearst's Herald & Examiner and American have joined in the fray—has been a sort of unending Roman holiday for Chicagoans, as the local papers have vied with each other in staging assorted civic carnivals, all in the name of sales promotion. Years ago, the Chicago Tribune started it with a Silver Skates derby. Then came the Golden Gloves

boxing tournament, the Chicago Music Festival, and recently the college all-stars vs. Chicago Bears football game.

August was a peak month for civic entertainment. On Aug. 17 the News' annual sailboat regatta attracted 50,000. That night 80,000 attended the Tribune's music festival, and next day 130,000 witnessed the running of the Examiner's outboard motorboat championships. On Aug. 30, the Tribune topped off the competition with its football game which drew 85,000.

### New Cooperative Era

But if August represented something of a new high in Chicago's historic newspaper rivalry, September marks a new era—no matter how brief—of friendly cooperation in a common cause to promote the sale of newspaper advertising as against the use of other media. Particularly significant is the fact that it is the Tribune's enterprise which is responsible for the new order of things.

Familiar in newspaper promotion is the argument that the dailies offer national advertisers a premium in reader attention by virtue of the great volume of retail copy which appears exclusively in their pages and which bargain-hunting housewives are conditioned to



**MILK BOTTLE MONEY**—When its 1% tax "on every sale of tangible personal property" went into effect last week, Missouri was forced to adapt the milk bottle cap to its small change needs (on sales of less than a dollar), for the federal government had ruled against the coining of metal tokens. Restaurants and stores quickly exhausted the supply of 30 million caps of 1 and 5 mill denominations. One Jefferson City dairy actually bottled its milk with Missouri's new legal tender.

read with meticulous concern. All this, the Tribune's Jerry Byrnes succeeded in boiling down into a single phrase: "Point of Shopping Advertising." This slogan, a paraphrase of the standard term "point of sale advertising," which is trade argot for counter and window display material, dominates all of the 20 advertisements in the new campaign.

#### Passing It Around

Having done the spade work, the Tribune made overtures to other Chicago papers, suggested it would be nice to make the project a communal proposition. Response was prompt and enthusiastic. From that point on, as the Tribune promoted its wider use, the campaign rapidly outgrew local boundaries until now it assumes the proportions of a major movement in the media world. By Sept. 1, when first insertions were scheduled to appear, half a hundred major newspapers, principally in the Middle West, had signed up with the Tribune, which supplied a set of platesto each paper at approximately \$30.

Quite independently last week, the Bureau of Advertising of the American Newspaper Publishers Association lent support to the mass attack by issuing one of its regular studies on the comparative advantages of the several media. This one, entitled "Yardsticks on the Air," was designed to prove that radio was a costly investment for all but a few of the biggest advertisers who could finance talent shows capable of monopolizing the available audience—an audience which the A.N.P.A. estimates is considerably smaller than that indicated in most other surveys. "Yardsticks on the Air" rounds out its case with the assertion that only 29.4% of the 635 advertisers who used radio from 1929 to 1933 were on the air last year.

Radio men aren't worried, for that 29.4% was sufficient to account for a considerably larger volume gain than newspapers could lay claim to in 1934. Furthermore, radio continues to record gains with monotonous regularity. Seven-month totals for NBC and CBS show increases of approximately 20%. Finally, from NBC this week came an impressive answer to all radio critics. "Let's Look at Radio Together" reports a 416% depression increase in network sales.

## NRA Washup

Industry's "good examples" are those that were always pretty good.

PRESIDENT ROOSEVELT is out after a bigger and better NRA. He is looking for "an industrial statute of broad import." His request for a recess investigation of the whole subject by a joint committee of Congress was weighted down with a report on departures from former code standards prepared by the

## After 150 Years are we Keeping Faith?



WE BELIEVE George Washington would be proud to sit as chairman of the board of the railroad which pioneered genuine air-conditioning; rejected make-shifts; put the safety, the comfort, the cuisine and the service of a Fraunce's Tavern on spinning railroad wheels; which developed a fleet of trains that have won world renown; a railroad which attracts the most distinguished, the most discriminating and the most experienced travellers in the world.

Our pledge to the Founder's memory is our pledge to you who travel. Now, or a hundred years from now, Chesapeake and Ohio Lines must give better transportation.

THE GEORGE WASHINGTON • THE SPORTSMAN • THE F. F. V.  
The Finest Fleet of Genuinely Air-Conditioned Trains in the World



George Washington's Railroad  
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Original Predecessor Company Founded by George Washington in 1785

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Fostoria TiteSeal, the phenomenal sealing compound which has been so successful in aviation use, is now available to all industry. So thoroughly efficient and of such broad range in utility, is TiteSeal, that it can safely be said to be the perfect solution to practically every leak sealing problem.

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What is the best pipe for soil, waste, vents and downspouts? Time—that Tough Old Tester—says it's Reading Genuine Puddled Wrought Iron. Specify by service records and you'll never specify wrong

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## Do people like you instinctively?

Do you want to impress them favorably, get along well with them, influence and lead them? Today, to be successful in almost any field, you must know how to deal with people—you must be able to win their friendship, their respect and their cooperation.

Now there is a new book that shows you how to acquire this ability. Sound and practical, this book deals with the sort of problems in meeting and handling people that you face—gives plain methods and suggestions that will fit into your experiences with people—shows how to make your contacts smoother, pleasanter, more resultful.

**GETTING ALONG WITH PEOPLE**, by Milton Wright, tells you precisely what to do and say, and why you should do it, to secure the results you want in countless situations in business and social life, in everyday contacts, and in important situations with a major bearing on your life and happiness. With many practical examples and with illustrative problems that Wright helps you work out, he shows you:

### Gain your ends in personal relations by learning:

- how to read character
- why people will like you
- how to adapt yourself to the other fellow
- how to attract attention
- how to establish right relations
- how to build reputation
- how to use suggestion
- when to bluff, to reason, to use humor
- how to say no
- how to become a leader

- how to get along with others
- how to secure effective cooperation of superiors, associates, subordinates, friends and acquaintances
- how to meet people properly and deal with them smoothly and efficiently

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BW-9-7-35

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NRA headquarters staff. This report gives an inkling of the kind of ammunition that may be used when the Presidential shock-troops go into action.

However, those familiar with NRA history think more powerful explosives will be needed to clear the way for the predicted advance toward a constitutional amendment along NRA lines.

### What a Breakdown Shows

The report cites 5,779 violations of code labor provisions in June and 9,046 in July, while chiselers rolled up a score of 857 violations of code pricing provisions in June and trebled that record in July with a total of 2,490. But analysis of the breakdown of these totals by industries shows clearly that violations are heaviest in those fields where operation of all the factors involved has been slight or non-existent prior to NRA and where the codes imposed rules and restrictions that represented radical departures from previous practices.

For instance, the general retail trade where the various branches never have acted in full accord, accounted for nearly 50% of all the July violations of labor rules and over 50% of the price cutting. Other previously non-cooperating fields such as apparel, construction, trucking provided liberal totals of violations. However, those industries which had excellent records for cooperation in the pre-NRA era are not supplying much ammunition. The manufacturing industries, which account for the great bulk of employment and business volume, scored only a small percentage of the violations.

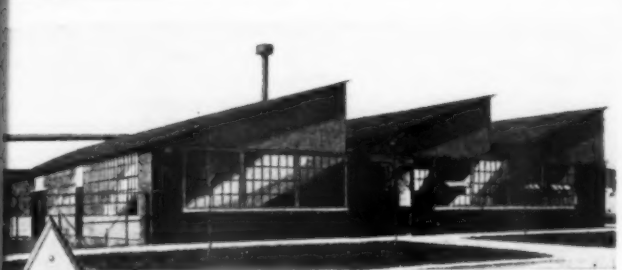
In fields where impossible reforms were undertaken under the wings of the Blue Eagle, liquidation of code authorities is the order of the day, with groups that had built up huge headquarters organizations leading the parade. For instance, the cotton garment, dress, millinery, lumber, and food and grocery code authorities are being liquidated.

### Many Are Holding On

Many important industries report that, through organized effort or by voluntary action of individual members, code labor provisions are being maintained. Among these the steel, electrical, foundry equipment, hosiery, investment bankers, painting, coffee, and flint glass groups are conspicuous. The men's clothing manufacturers have made a 2-year contract with labor. The various branches of the rubber industry are standing pat on their code labor provisions despite the scrapping of their pricing plan. The far-flung textile industry is still battling well over 90% for code wages and hours.

In the coat and suit industries, employers and labor leaders, working together as they had in the code days, have created a National Coat and Suit Recovery Board. It continues code fair practice rules and has inaugurated a

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It's a simple matter to prove that Truscon buildings will give you just exactly what you want for less money and in quicker time than any other form of permanent construction. The facts are perfectly plain. Truscon buildings, custom-built to your order from standardized units, are naturally cheaper to buy. Shipping costs are correspondingly low. Erection is quick and simple with a minimum of time and labor costs. And here is another point which you will do well to bear in mind. Truscon buildings can be easily dismantled and re-erected in a new location should occasion require. Your Truscon building—fire safe, attractive, substantial—can be of any type or size that you desire. You can have any arrangement of doors and windows—any kind of side walls—and either pitched, monitor or flat roofs. And here are a few suggestions for these buildings:

**Whether It's NEW BUILDING  
• PLANT ALTERATION •  
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is**

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**CUSTOM-BUILT FROM  
RUST-RESISTING COPPER ALLOY  
STEEL. INEXPENSIVE—PERMANENT  
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**Quickly Erected and All  
Ready for Occupancy  
in a Matter of Weeks**

**STEEL DECK ROOFS** • Of course you want a trouble-free, permanent and economical roof. Truscon steeldeck roofs provide all these features. They are made of copper alloy (rust-resisting) steel and will last indefinitely. They are fire safe and remarkably light in weight. Covered with insulation and water proofing they weigh only 5 pounds per square foot.

**FERROCLAD WALLS** • Here you have an opportunity to obtain fire-resisting and time-resisting walls only a trifle over an inch thick, but which offer resistance to temperature changes equal to that of a 25-inch concrete wall. Ferroclad walls are built as follows: An inner and outer facing of copper bearing steel. Between the steel layers is one-inch thickness of commercial insulation with edges sealed against moisture. Everything that a wall should be with economy added thereto.

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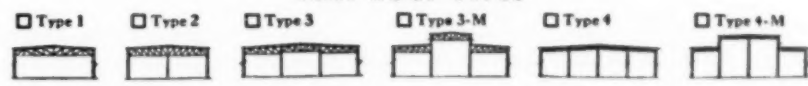
### **NOTE TO EXECUTIVES**

Mark this page for the attention of the individual in your organization responsible for new construction or modernization. We offer our fullest cooperation in helping work out the details of any plant additions or modernization you might be considering now or any time in the future.

### **PITCHED ROOF TYPES**



### **FLAT ROOF TYPES**



**UNEQUALLED FOR FACTORY, SHOP, WAREHOUSE, GARAGE, SHED, HANGAR, ETC.**

**TRUSCON STEEL COMPANY • Youngstown, Ohio**

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**JALCASE**



In the Diesel engine injector cup illustrated above, the tip (indicated by arrow) is only .08" in diameter. The lower picture shows this tip enlarged to 17.5 times actual size and reveals three of the six equally spaced holes, each only .007" in diameter, which are drilled in the tip.

The high physical properties required in this part demand a high carbon open hearth steel. The delicate and exacting operations involved in the machining and drilling of the tip call for an exceptionally clean, uniform steel with high machinability. Cold Finished Jalcase in the .25/.35 carbon grade meets both of these requirements.

Jalcase in the .10/.20 carbon grade combines machinability approaching that of Bessemer screw steel with excellent carburizing properties. In all grades—.10/.20 carbon, .25/.35 carbon and .30/.40 carbon—Jalcase is an excellent forging steel. It is supplied in both hot rolled and cold finished.

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STEEL**

**JONES & LAUGHLIN  
STEEL CORPORATION**

AMERICAN IRON AND STEEL WORKS  
PITTSBURGH, PENNSYLVANIA



**FTC: FULL STRENGTH**—With appointment of R. E. Freer, Cincinnati attorney, to succeed J. M. Landis (now in SEC), the Federal Trade Commission sets to work with a full membership sympathetically primed to help 200 competition-riders.

plan to conserve benefits credited to the code's labeling provisions. Under this, a "consumer protection label" goes on merchandise produced under fair wage and hour provisions and union members are allowed to work only in shops eligible to use the label.

In some fields special industry agreements are being tried as a substitute for codes. For instance, the Ribbon Manufacturers of America are using a special agreement that is intended as a fully

enforceable contract, gives police power to the organization and specifies penalties for violations. The American Petroleum Institute hopes to tie up the oil industry to a voluntary code of fair practice for marketing oil products which, among other interesting provisions, calls for posting of prices and bans the use of all those rebates, allowances, concessions, etc., which some oil refineries had refined down to an exact but highly camouflaged science.

## FTC Sets a Precedent

**Trade Commission may get NRA's job; liberal agreement approved for tobacco wholesalers suggests that it may have some of the NRA spirit.**

THE new set of trade practice rules for the wholesale tobacco distributors, which has just received the formal blessing of the Federal Trade Commission, is supplying much-needed support for those who have considered FTC a haven for competition-weary industries.

It is the first trade practice agreement for an important industry approved since the U. S. Supreme Court threw out NRA codes. It is also the first that contains provisions of the type that Attorney-General William DeWitt Mitchell frowned upon in 1931, with the result that, at that time, 80-odd doubtful trade practice agreements were scrapped (BW—Jun 17, Jul '31).

Under the agreement, tobacco wholesalers must not use loss-leaders, price discrimination, rebates, allowances. They must not sell below cost, and the agreement defines cost as invoice and replacement cost *plus* the vendor's cost of doing business. As one wholesaler put it, "We went after an agreement that would give us everything we had in our code, and we came out with everything we went after, except the

clause about exclusive territorial concessions."

Evidently the FTC has been afraid that its approval of the tobacco pact might spread the impression that the bars are down, the old days of liberalized interpretations back, and now is the time for all good industries to come under its elastic umbrella. Almost simultaneously with that significant approval, it nonchalantly issued a complaint against the Wyoming Valley Jobber [wholesalers] Association for publishing a customers' list, "conspiring" to fix uniform prices and other digressions, and topped off this week by hauling up the Cap Association and the Uniform Cap Manufacturers' Institute for price-fixing.

Washington trail followers say that the FTC as now constituted is decidedly sympathetic toward business and that Ewin L. Davis, its chairman, is eager to aid trade groups as much as fair and liberal interpretation of the law permits. However, he and his colleagues have pointed out time and again that they can act only within the





Underwood & Underwood

Industries solve their post-NRA problems. Left to right: Commissioners Ferguson, March, Davis, Ayres and Freer.

police power specifies penalties for American to tie up the code of fair oil products interesting prices and rebates, allow which some on to an ex-ence.

law—with the implication that if business goes after Congress for more liberal laws, FTC will not stand in the way.

Meanwhile, the commission reports an unprecedented rush of new prospects. Since the demise of NRA nearly 200 industries have come to it for guidance and information on prospective FTC pacts. Half of them are progressing toward a formal hearing and over 20 have been graduated from the preliminaries and are in the process of actually negotiating for trade practice agreements.

#### List of Applicants

al agree- ts that it

The list of the latter indicates that a wide variety of industries are willing to try out the FTC formula for cleaning up intra-industry troubles. The jewelry wholesalers, obviously having learned from other wholesaling groups that FTC pacts help in lines of trade which involve merely buying and selling, want to join the procession. Others included are manufacturers of wire and rope, shipping containers, industrial alcohol, mirrors, radio sets, steel heating boilers, etc. To the amazement of those who have followed anti-trust law cases through the years, there are several groups on the FTC doorstep that have, at one time or another, provoked the frowns of the Department of Justice.

Some watchers predict a steady increase of business for the Trade Commission. They argue that industry leaders recognize that certain advantages accrue from FTC pacts which will be highly valuable in case no new NRA laws are attempted and liberalization of the FTC laws is decided on by the Administration as a compromise. They consider such a decision more than a mere possibility because, in addition to FTC itself, certain influential members of the Attorney-General's staff realize that it will be easier to liberalize FTC laws than to get a better NRA law which will hold water when it reaches the Supreme Court. Even would-be



### Wheels of progress . . .

The span of this Bank's life is the span of time between the "gentleman's conveyance" of 1799 and the automobile of today. True to the traditions that have held for 136 years the Bank of the Manhattan Company is constantly providing more ways of making its facilities of greater value to customers.

## BANK of the MANHATTAN COMPANY

Chartered 1799

NEW YORK



Figure above—Courtesy Museum of the City of New York

# To the Presidents OF THE INDUSTRIAL MACHINERY BUILDERS OF AMERICA



Next week, leaders of manufacturing world-wide will be coming to the Machine Tool Show at Cleveland. They will come, not alone to inspect an exhibit of fine machinery covering many acres, but literally to take lessons in a new, highly-developed science: that of producing a greater volume of needed goods, in improved quality, at substantially lower cost.

The successful efforts of machine builders to economize on power consumption, for example, will be evident throughout the exhibits. You yourselves will find proof of this, as you go about, in the practical applications of Cleveland Worm Gear Drives to various types of high-grade production equipment.

Should your own machinery offer a practical use for worm gear drives, please think of the ways in which "Clevelands" can help you, both in making the



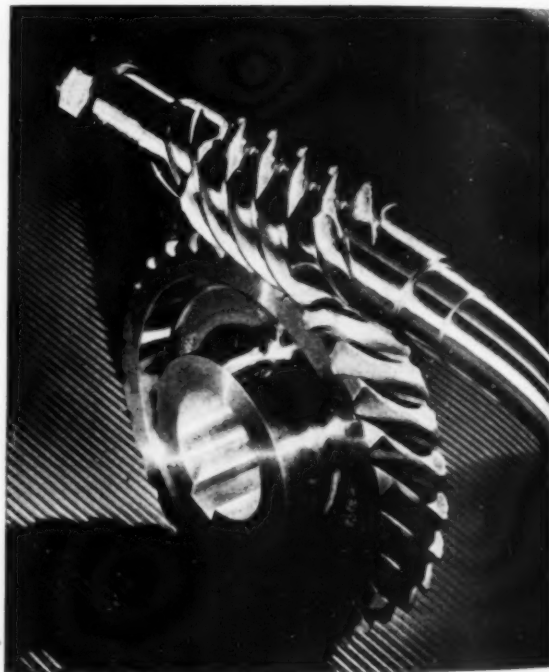
*You and your Engineers would enjoy a trip through the "Cleveland" plant. Come to our Booth, No. A105. Transportation both ways will gladly be arranged at your convenience.*



## CLEVELAND Worm Gear Drives

original sale and in contributing to reliable performance throughout long years of successful operation.

Experienced "Cleveland" Engineers are at your service for consultation on your own problems. Please write or telephone. The Cleveland Worm & Gear Company, 3255 East 80th Street, Cleveland, Ohio.



amendments point out that there may be a long wait for constitutional amendments to legalize the kind of NRA wanted by the Administration.

#### Passing It Around

Meanwhile, Washington finds it significant that all conferences held by FTC are attended by a special "liaison officer" from the Department of Labor, that all agreements now submitted must pass muster with the present NRA office and with representatives of the labor board and the consumers' advisory board. They consider these facts additional evidence that the Administration is quietly thinking of FTC as an anchor to windward in case of failure in its attempts to reform and control industry through a revived NRA.

## 1 1/2% Nichols

Chicago's battling banker lets limited assessment lure him into deposit insurance lineup.

PLACE has come to the South Side of Chicago. Out on West 63rd Street, behind the doors of the First National Bank of Englewood, the David of the banking world is shaking hands with Goliath FDIC. At last, J. M. (100%) Nichols, president and by far the largest stockholder of the neighborhood bank, has admitted that he will join the government's deposit insurance plan after a snapping, crackling battle against it that started with FDIC's inception.

When the banking bill of 1935 was signed, providing for limitation of FDIC assessments to 1/12%, Nichols cautiously gave in. He stood out single-handed against the temporary plan with its unlimited assessments, announcing to the world that he was against the scheme by making public a series of letters couched in anything but banking language. The things he called FDIC, the government, and any official that had the misfortune to correspond with him, furnished amusement throughout the country.

The First National of Englewood's stand was a secure one. Nichols' bank has cash and government bonds exceeding the total of deposits, loans are less than 10% of total resources, and Nichols himself owns practically all of the stock. During the bad bank years he inaugurated a policy of issuing bank statements that practically told the color of the eyes of every borrower, and executed other capers that spotlighted the 100% liquidity of his institution.

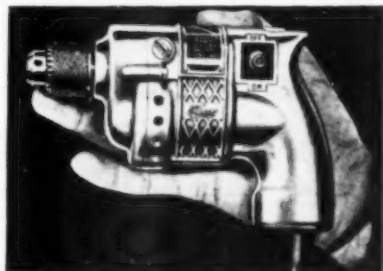
He did not like deposit insurance from the first and said so, vehemently, publicly, and repeatedly. He doesn't even like it now, but now that assessments are limited he says, "We won our point and we'll go along, but the guarantee fund is a farce."

## New Products

New things, new ideas, new designs, new packages, new manufacturing and marketing methods.

A NEW switch announced by Square D Co. may be used, as is, for single installations, or when its easily-removed side walls are off, is suitable for gang installation of any number of units. When main cover is opened, circuit is disconnected so that switch and fuses are dead when mechanism is accessible.

INDEPENDENT PNEUMATIC TOOL CO. advertises its model U-14 Thor as the



smallest and lightest electric drill. It handles drills up to 1/4 in., was designed for one-hand operation, weighs only 2 1/2 lb., sells at a popular price.

ACME strip steel, made by Acme Steel Co., is now shipped on wooden skids to which the steel coils are securely fastened. By this method handling is facilitated, customers can unload cars, move coils about more easily, faster and at less expense.

THE De Luxe water automobile heater, now offered by B. F. Goodrich Co., has a new hot water trap which increases heating effectiveness of the unit. A patented deflector turns in any direction and is hung in rubber bearings to eliminate rattles and possible leaks.

FOR heavy cold riveting, the High Speed Hammer Co. now has a No. 7-B model which will head up to 1 1/2" mild steel rivets, taking only 7 seconds to head 3/4" rivets and up to 30 seconds for 1 1/2". It is advertised as suitable also for swaging and forming work.

THE Instantaneous Glue Converter Co. is marketing a register shield, fitting over the room registers of hot-air furnaces and designed to remove dust from and moisten the air before it enters the room and deflect it across the floor for better heating effectiveness.

POCAHONTAS smokeless coal, compressed into 4 in. cubes, is now offered in convenient uniform-sized packages, each containing six 4 in. cubes and weighing 15 lb.

## How they did it:

### CASE HISTORY No. 4



**DENTAL PLATE MAKER**—Hanau Engineering's new electroplating machine makes dental plates by depositing metal, through electrolysis, on composition impressions of the patient's gums. The complete case is molded of Durez.

★

If you make anything that even remotely resembles the Hanau unit, you'll be interested to know that Hanau chose versatile Durez because: it provides necessary electrical insulation... its surface resists the electrolytic acids, scratching, denting, corroding... it's strong but not heavy. Durez is lighter than any metal, and is formed into intricate shapes in one operation, with all lugs, holes, bezels, inserts, trade-marks molded in. No finishing operations needed, because its sleek lustrous surface is automatically produced in the mold.

★

**OTHER DUREZ USES**—Proctor & Schwartz mold the entire base of their new toaster of heat-resistant Durez... Lanston Monotype eliminates nine production operations by using a molded Durez case on their new Barrett Figuring Machine... refrigerator maker adopts Durez tray, latch bolt, and shelf support... molded telephone bell housing, produced with nine less production operations than old metal one, is stronger, chip-proof and dent-proof... Oneida Community increases silver sales with beautiful Durez gift boxes... attractive, indestructible Durez counter display increases Norwich Aspirin sales 38%... Andis Products molds entire housing of largest fountain mixer (1/2 H.P.) of Durez.

★

**WHAT IS DUREZ?**—A synthetic plastic material molded, under heat and pressure in steel dies, into almost any shape. It's light in weight yet structurally strong and abrasion-resistant. It comes from the mold with a smooth lustrous finish which can't wear off or chip. It resists water, alcohol, most chemicals. It is perfect electrical insulation, a slow conductor of heat. Unlimited design possibilities.

You should be familiar with this modern versatile material. Write (telling us what you make) for booklet "20 Applications" and suggestions on improving your product with Durez. General Plastics, Inc., 284 Walck Road, North Tonawanda, New York.

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# DUREZ

THE MODERN MOLDING COMPOUND





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Not one man—dozens write or tell us they wouldn't sell their Schick Shavers for \$100 if they couldn't replace them. The sheer joy of shaving with **No Blades** and **No Lather** is thrill enough. But the real enthusiasm comes from getting a quick, clean shave with not the slightest chance of cutting nor scraping.

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Plan **BUILT**  
**MY SALES!**

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## Hotel Hazard

**Repeal helped, but hotels must find a way to hike room rates if they are to rescue the submerged 80%.**

HOTEL business was vastly stimulated when repeal sanctioned the sale of alcoholics in addition to such fixings as ginger ale and fizz water. The problem now is to raise room rates. Without this, hotel executives see little chance of definite recovery. When representatives of 6,000 houses gather at the convention of the American Hotel Association in Atlantic City, Nov. 13-16, devices for boosting the per-room price will have the spotlight.

Omaha has a plan which offers hope. First, the local hotel association made a survey of every room and rate in the city. Then 4 classifications were established. Hotels in touching categories OK'd rate schedules which set equitable differentials. Then agreements were signed. Teeth were provided by deposits which each hotel posted as a guarantee of good faith. The covenant also covered such abominations as rebates on food and rooms, promiscuous donations, program advertising, misleading claims.

Omaha is proud of results. Pittsburgh has achieved some stabilization with a similar program. The big sore thumb is New York. Because of its preeminence, the metropolis is a sort of basing point for all rates. Price-cutting is habitual with many of its distressed hostelrys. The pull of the lower classifications is felt by the swank palaces, and the widening vibrations disturb the

national fabric. Committees have been appointed to study the situation, may have definite proposals for the Atlantic City meeting.

The automobile created hotel problems which the depression has complicated. Back in Aunt Susie's day, hotels were full in winter, thinly tenanted in summer. Motor car tourists have reversed that for much of the country. Also, if the motorist resents rates in one town, he may drive 50 miles to save 50¢ on his night's lodging. Further competition is encountered from the camps and "tourists accommodated" homes along the highways. Six hard years have brought a finer type of home into competition with the regular hotel.

### Summer Business Was Big

This summer saw an amazing comeback in the tourist business. Hotels benefited. Horwath & Horwath, hotel accountants and statisticians, reveal that occupancy recovered to the 1930 level. In July, hotels checked by this company had 60% of available rooms occupied, against 59% in 1930 and 56% in 1931. The rub comes in the rates. For the year 1930, room rates were 97% of the 100 represented by 1929; last year they were 71% and so far this year there has been little improvement.

Under the benign influence of the legalized cocktail, hotel restaurant sales continued to mount. Generally they are up 17% over last year. California



**TRAIN ON TIRES**—Built by the White Motor Co. and equipped to carry 16 passengers, baggage, mail, and express, this combination bus-truck began service on the Santa Fe last week, replacing a motor train between Florence and Arkansas City, Kansas. Its operating records will be closely watched by other roads.

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*Overhead*



*Underground*

**WORLD'S HIGHEST** complete air conditioning installation is a Sturtevant ... located on 57th to 61st floors of Main Radio City Building, Rockefeller Center, New York City. 190 tons of refrigeration is capacity of cooling equipment.

**VEHICULAR TUNNELS** ... the famous Holland Tunnels connecting New York and New Jersey, the Detroit-Canada, the Alameda in San Francisco, and California's new Broadway Low-Level Tunnel ... all are ventilated by Sturtevant Equipment.

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In every industry... in every type of building from tiny cottage to towering skyscraper... on land, at sea, overhead, underground... Sturtevant "Puts Air to Work!" Sturtevant offers you Air Handling and Conditioning Equipment at its highest stage of development... in the most comprehensive range of types and capacities available... the product of 70 years of experience.

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Sales Engineering Offices in 33 Principal Cities. Plants at Hyde Park, Mass.; Framingham, Mass.; Camden, N.J.  
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**33 RAILROADS** use Sturtevant Fans, Cooling Coils and Heating Coils, and Air Distribution Systems, individually or in combination, for a large percentage of all passenger cars now air conditioned.



**U.S. NAVY** is a large user of Sturtevant Air Equipment. Airplane carriers "Saratoga" and "Lexington", for example, are equipped with Sturtevant Apparatus for heating, ventilating, forced draft, and generator and main motor cooling.



*At Sea*



*On Land*

**WORLD'S LARGEST MAKERS  
OF AIR EQUIPMENT**

for Air Conditioning, Ventilating, Heating, Mechanical Draft, Drying, Vacuum Cleaning, Pneumatic Conveying, Dust Collecting, Compressing, and other Related Purposes.



WEEK

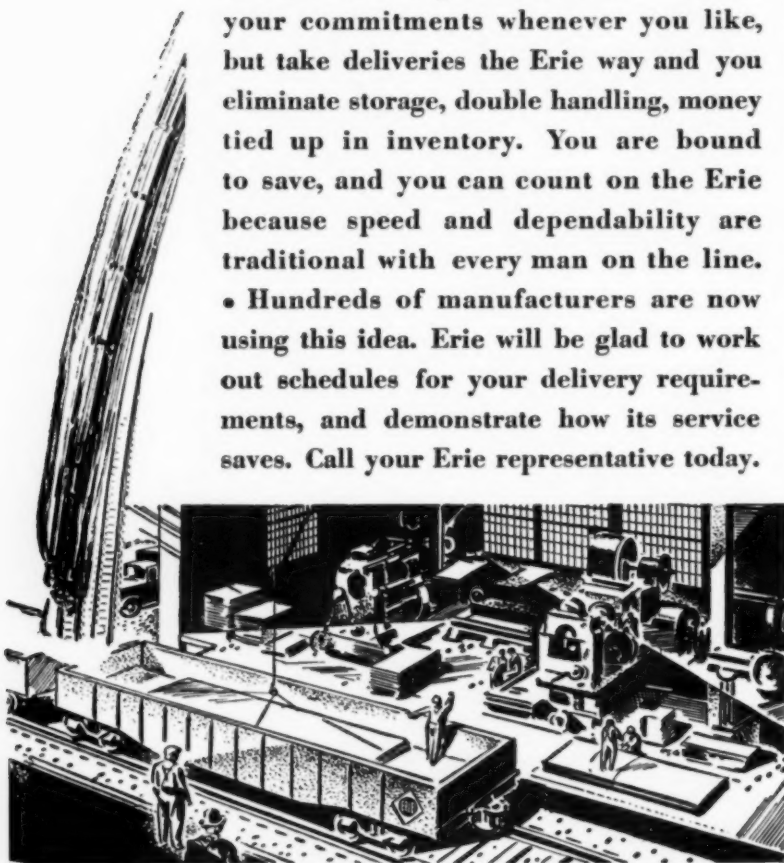
SEPTEMBER 7, 1935

25



## FAST ERIE TRAINS SAVE STORAGE EXPENSE

- Schedule your material needs in relation to production. Then let the Erie lay the materials on your floor just as they are needed for the production line.
- Make your commitments whenever you like, but take deliveries the Erie way and you eliminate storage, double handling, money tied up in inventory. You are bound to save, and you can count on the Erie because speed and dependability are traditional with every man on the line.
- Hundreds of manufacturers are now using this idea. Erie will be glad to work out schedules for your delivery requirements, and demonstrate how its service saves. Call your Erie representative today.



was 45% better, thanks to a stampede of tourists. Pilgrims' progress in Washington produced a 23% increase. Chicago was off because it hasn't a fair this year.

As a whole, the hotel industry remains in a sorrowful condition. The \$14-million Lookout Mountain Hotel, Chattanooga, sold recently for \$20,000.

About 80% of the nation's hotels are still in receivership or trusteeship.

The Metropolitan Life Insurance Co. has done an outstanding job in modernizing properties under its control. This has consisted mainly of installing attractive bars, coffee rooms where prices are lower than in the awesome main dining-rooms, brightening decorations, substituting new furniture for items of the brass-bed era.

## In Defense of Bread

For 35 years flour sales have dropped; now millers prepare cooperative campaign to make people big bread-eaters again.

THIRTY-FIVE years is a long time for anybody to lose business in practically an unwavering line. Flour millers have decided it is long enough. At last the industry has got under way to defend not only itself, but the allied industries concerned with the production, processing, and sale of wheat, including the farmers, merchandisers, millers, bakers, retailers, even the bag makers and mill equipment people.

In 1900, when physical labor was more of a commonplace and energy demands were greater, consumption of flour in the United States was 1.14 bbl. per capita. In the 1917-18 season, for the first time, it dipped below 1 bbl. This year, to the dismay of the milling industry, it has reached a low point of 0.75 bbl.

### It's Time to Fight

In June, millers of the country in convention assembled, decided it was time to fight for their markets. They voted an assessment of 2.5 mills per bbl. of flour to be paid to the Millers' National Federation, the industry's trade association, for a 3-year program of education, research, and field work in defense of bread as a food. Many individual efforts by milling companies had been made before, but this was the first united front against the usurpation of bread's realm by other foods.

Now the program is getting under way. Millers' National Federation, through its educational department, National Food Bureau, has set up machinery for action. Advertising service is already functioning; educational and research work is being planned.

The milling industry knows pretty well why there is less flour consumed



per head in this country than 35 years ago, and some of the reasons they are well equipped to do battle with. One of the chief blows which wheat products have sustained fell some years back when those who dictate the proportions of ladies' physiques decided to plug for the willowy model. Food faddists, dietary experts, and beauty specialists found a fertile field for frame adjustment in womenfolk. And since a good idea to advance their own wares was a stout attack on something else, they picked one that could hardly miss—a drive against bread, or anything starchy. The nation turned from the venerable Staff of Life to rabbit food, and flour consumption kept merrily on the decline.

### Thin Fad Isn't All

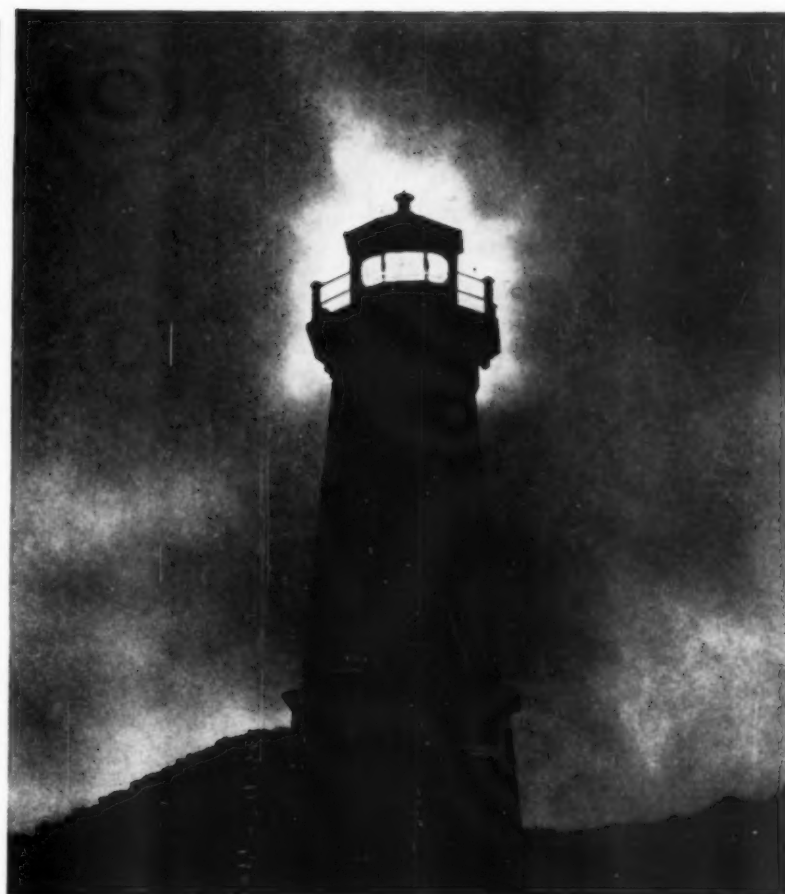
There were other reasons for the drop. The national appetite declined with the advance of machines. The housewife quit baking bread; it was easier to get it in the stores. Aggressive merchandising of a long list of fruits and vegetables made available throughout the year added another knock.

So inexorable was the downward spiral for bread that even the depression, which might normally have been expected to restore bread consumption, failed to reverse the trend. Similarly, individual efforts of milling companies proved unavailing. General Mills and other leading millers have conducted schools for bakers, teaching the preparation of specialty bakery products to broaden the consumptive base. Pillsbury is trying to boom sales of bakery bread by offering a sandwich tray premium. And the whole industry is investigating its product with an eye to discovering whether overemphasis on whiteness, texture, and freshness has not banished the distinctive wheat flavor of oldtime bread to the detriment of sales.

### No Wheat Surplus, If—

Had per capita consumption of bread held up to the 1900 level in the last 35 years, millers now would be turning out 145 million bbl. annually instead of the actual 100 millions and Secretary Wallace would be centering his attention exclusively on cotton and potatoes and anything but wheat, because 145 million bbl. of flour would require a good 175 million more bushels of wheat than we have been using. There would have been no surplus problem at all in the mere 390 million bu. carry-over of 1933.

But such is not the case—so the milling industry is getting the medical profession to agree that white bread is healthful and good and cheap, that the eat-spinach-instead-of-bread stories in the children's textbooks are just part of the food faddists' dreams, and that bread has a rightful place in the American diet.



## ...THE WAY TO SAFETY

Casualty insurance and Fidelity and Surety Bonds give definite security to individuals, business, and industry against disastrous financial losses on the hazardous shoals of accidents and other misfortunes. ★ For 51 years Standard of Detroit has provided its policyholders with safety and peace of mind through its ample protection. Today over a million people are guarded against threatening hazards by the policies and bonds of this company. Over \$140,000,000 has been paid in claims. ★ Any of 6,500 able representatives throughout America can make available to you the fine protection and superior services afforded by Standard.

Automobile Insurance • Personal Accident and Sickness • Burglary and Holdup • Plate Glass Breakage • Liability (all forms) • Workmen's Compensation • Fidelity and Surety Bonds (all forms)

**STANDARD**  
**ACCIDENT INSURANCE COMPANY**  
**of Detroit**



## ACME SUPERSTRIP IS MAKING BETTER LOOKING PRODUCTS AND BETTER SALES

● Good looks, plus good quality, get the consumer's favor. Scores of manufacturers are making better looking products with Acme Superstrip.



Eighteen-inch chrome-plated steak platter or tray manufactured from cold rolled Acme Superstrip No. 3 finish. Superstrip, rolled for this job, allows perfect forming, and the flawless finish provides beauty that creates sales.

Two reasons make this possible: 1. Acme actually studies the product and rolls a strip that fits perfectly the needs of that product. 2. Acme has the skill, the equipment, and the will to produce steel of flawless finish.

As a result, Acme Superstrip has been chosen for the production of many consumer products that have proved outstandingly popular and successful.

Write today for a copy of the booklet, "Batting 'Em Out," which tells about the economical production of over 20 different products with the right kind of Acme Superstrip. ACME STEEL COMPANY, General Offices: Chicago. Branches and Sales Offices in Principal Cities.

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HOT ROLLED • COLD ROLLED • GALVANIZED • STAINLESS

ACME STEEL COMPANY  
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Send, without obligation, the booklet, "Batting 'Em Out."

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**HAND-PICKED PRESIDENT**—Francis J. Dillon (left center) gets the glad hand from A. F. of L. President William Green, who arbitrarily appointed him first president of United Automobile Workers, despite the union's repudiation of Dillon. At left, Homer Martin, vice-president; at right, Edward Hall, secretary-treasurer.

## Pacific Coast Pacific

**Peace is forced in maritime dispute threatening West Coast ports, but there's a strategical strike call on the New Orleans waterfront.**

APPARENTLY there will be no waterfront strike in Pacific Coast ports when the union agreements expire at the end of this month, as had been feared. Threats of force by the organized business community in all ports had a decisive effect on the unions. The International Longshoremen's Association renewed its agreements, though some of the unions of ship personnel said they would ask for minor changes.

For months the chambers of commerce and other business associations, supported by the newspapers, had been organizing to combat a strike. Memories of the 4-day general strike in San Francisco last year, which had resulted from a waterfront strike, caused a militant mood. The business community threatened to take whatever steps might be necessary, and the unions construed this as meaning that police, militia, semi-secret groups, and other organizations of business men and white-collar employees would be used to stop all picketing, raid and smash union headquarters, and cram the jails with strikers and strike sympathizers.

These warnings, backed up by careful preparations, convinced the unions that a strike this year would be dangerous. Hence the agreements were renewed.

But it was still uncertain whether the more radical of the longshoremen, headed by Harry Bridges, would consent to unload British Columbia cargo (BW—Aug 31 '35), which is being loaded by strikebreakers.

Meanwhile, a similar dispute was coming to a head at New Orleans, but not under radical auspices. Joseph P. Ryan, the brawny, \$15,000-a-year president of the I.L.A., is rated as a conservative, and he has vehemently opposed Bridges and the threatened Pacific Coast strike. But this week, in New York, he called a strike of longshoremen at New Orleans, for Sept. 16.

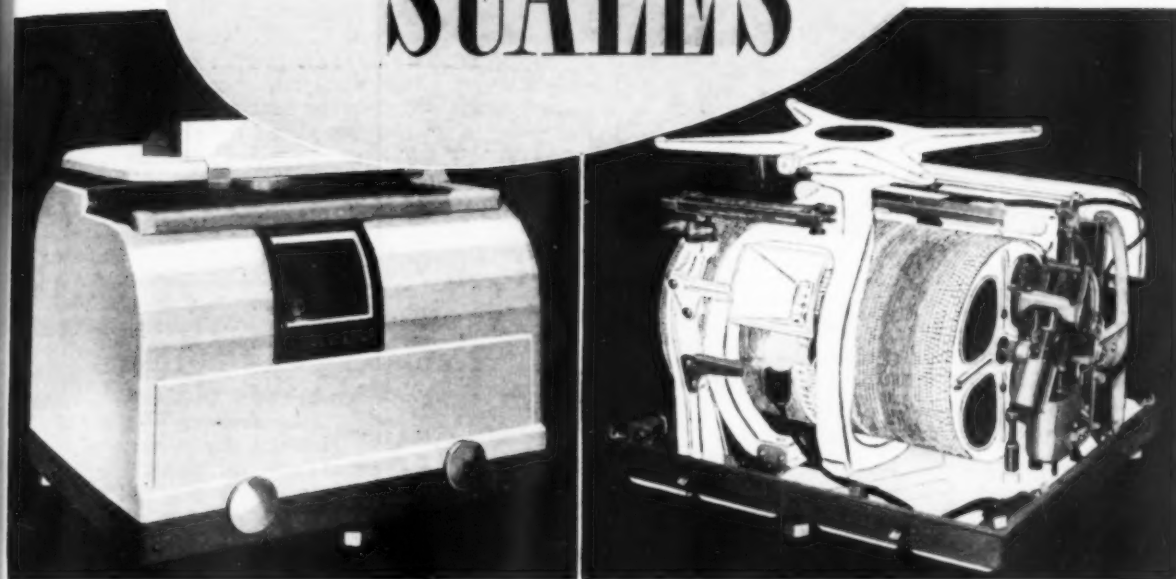
NRA gave the I.L.A. a chance to organize effectively in New Orleans. But the waterfront employers refused to deal with the I.L.A.; instead, they recognized a local organization which Ryan brands as a company union. The dispute has been waged for a long time, but Ryan delayed a strike call—probably because he wanted to wait till the Wagner labor relations bill should be passed and a new labor board appointed. The board is now in office. So Ryan calls a strike and threatens to prevent the unloading of New Orleans cargo in other ports.

This critical situation will probably

# TOLEDO

## REVOLUTIONIZES

# SCALES



### HOW ALUMINUM HELPED:

This is the new Toledo Plaskon Duplex Scale.

Unlike any scale you ever saw, it weighs about one-third as much as any of its predecessors. The very fundamentals of the design are dependent upon ingenious use of materials new to scale construction. One is Alcoa Aluminum which saved about thirty pounds for many chassis parts. Permanence of shape and dimension in these parts was a further consideration in the choice of Aluminum.

Particularly striking is the use of Alcoa Aluminum Alloy sheet for the revolving price chart. All buckling, expansion and contraction from atmospheric conditions are eliminated. The reading line



can thus be set with extremely close clearance, to make all readings always accurate. Readings are quicker because the lightness of Aluminum reduces flywheel effect.

Twice as many figures as ever before can be shown, doubling the convenience of the scale. Newly designed lenses, set in an Aluminum frame, make these accurate readings easy.

These contributions of Alcoa Aluminum came partly from the inherent advantages of its many versatile alloys; and partly from the intimate teamwork between

Toledo engineers and our own staff. Possibly we can help you. ALUMINUM COMPANY OF AMERICA, 1804 Gulf Building, Pittsburgh, Pa.

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She could have  
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...but the **SUGGESTION** to buy this  
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The ability of WLW to create a brand preference is realized fully by two groups—those who themselves use WLW and those whose competitors do. In its "logical" territory, WLW is unquestionably the station in popularity as well as persuasiveness. Far, far beyond these bounds goes the 500,000-watt voice of WLW to create an "extra" value so definite and tangible that many advertisers have come to consider WLW in the light of a national medium. Ask us to show you what WLW has done to sales curves in lines similar to yours.

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**HAMLET?**

**NO!** The chief bookkeeper's  
to-be-or-not-to-be attitude is caused

by cheap ledger paper. He's screwing up courage to tell the president about the lost time and short tempers in his department, and to demand Resolute Ledger as an antidote because of its strength and durability and its fine working qualities. Neenah Paper Company, Neenah, Wisconsin.

**NEENAH RESOLUTE LEDGER**



**50% NEW RAG CONTENT**

cause the board to take up the case in a hurry, which is what Ryan wants. He expects a favorable decision. But the employers may appeal to the courts.

## Auto Union Strife

**Manufacturers expect rank-and-file will be too busy bucking A. F. of L. brass hats to strike.**

THE automobile industry is fairly well satisfied with the outcome of the Detroit convention at which the International Union of United Automobile Workers was formed. The industry expects the A. F. of L. bureaucracy and the rank-and-file to buck each other during the next year, preventing effective strikes.

The international is weakened in the first place by the terms of the charter which the A. F. of L. executive committee granted, with a "take this or nothing" ultimatum. The charter prevents the union from being an out-and-out industrial union. It does not allow the inclusion of machinists, tool-and-die makers, pattern-makers, etc. These were unorganized until the automobile locals started organizing; but now they are to be shifted to the craft international, which have been clamoring for them.

### Craftsmen Will Resist

However, many members of these crafts were delegates to the automobile convention, and they will try to stay in that union. Next month, at the A. F. of L. convention in Atlantic City, this question will be brought up again, and belligerent John L. Lewis of the miners, the most powerful personality in the A. F. of L., will lead the fight for industrial unionism. But the craft union leaders expect to stay in the saddle.

The A. F. of L. brass hats won another victory at the convention, when Francis J. Dillon, the chief organizer in the automobile industry, took advantage of a provision in the charter to install himself as president, with the help of President William Green, after the convention rejected a resolution to let Green appoint Dillon. As a sop to the rank and file, Dillon gave the vice-presidency, with a salary of \$4,500, to Homer Martin of Kansas City, a compromise candidate for the presidency. Martin is a youngish, pleasantly smiling man with the look of an incurable amateur. Dillon is an old-line professional. The brass hats like to keep the big jobs in the family.

Father Coughlin addressed a mass meeting at Belle Isle (Detroit) to get new members for the Automotive Industrial Workers Association, hitherto confined mainly to the Dodge plant. He announced his slogan, "Share the Profits—Not Share the Wealth." The A. F. of L. leaders say he is supported by some manufacturers.

## Wide Reading

**ROOFTOP GIROPORTS.** James G. Ray. *Aviation*, August. "Rooftop landing facilities" may soon become a familiar phrase in the rental of office space. The roof of the post office at Philadelphia has already been used for a demonstration mail delivery in an airplane.

**BRITISH TAXES—AND OURS.** Harold M. Goores. *New Republic*, Aug. 21. Sources of revenue in the 2 countries, and rates of various taxes, compared.

**ANALYZING THE MARKET OF MAIL ORDER HOUSE RETAIL STORES.** Ralph Cassady, Jr., and Harold M. Haas. *Harvard Business Review*, Summer. The study has 2 main objectives: (1) to find how far people drive to shop; (2) to find what income groups provide the bulk of the business. Striking result: very large number of high income shoppers.

**CHEMISTRY WRECKS THE FARM.** Wayne W. Parrish and Harold F. Clark. *Harpers*, August. "In the sense that we have known it in the past, American agriculture is a dying industry. Foreign markets for agricultural products in any material degree are gone forever. The chemist is removing one product after another from the soil to the laboratory."

## REPORTS—SURVEYS

**THE BUILDING INDUSTRY AND BUSINESS CYCLES.** William H. Berman. University of Chicago Press, 75 pp., \$1. An attempt to measure influence of building costs, population growth, interest rates and other factors on swings of building cycles.

**ANNUAL EARNINGS OF RAILROAD EMPLOYEES, 1924-35.** Section of Labor Relations, Federal Coordinator of Transportation. Government Printing Office, 198 pp. First comprehensive study of actual annual earnings of railroad employees over 10 years. Mass of statistical information broken down by occupations covering hours, wage rates, age, and distribution of actual income.

## BOOKS

**THE SECURITY MARKETS.** Twentieth Century Fund, 719 pp., \$5. Along with much other information, this book presents answers to the question brought up by proposed sliding scale corporation taxes: Who owns the corporation? And for the reader with "stomach" to review, in cool realities of 1935, his hare-brained market exploits of 1929, here are the facts on the tipsters and pools that played with his money in those days. These are incidental to the most comprehensive study ever published on the security markets. It records the theory, and puts the real place, of security trading in our economic system, with its function in financing business, providing investment outlets and liquidity. Reviews the abuse made of the system in the past and analyzes reforms—providing the background on which success of regulation may be judged. To pack more fact and interest into even so big a volume would be difficult.

# "I learned about dealer identification from my wife"



## Reflection of a business executive on a shopping trip:

"Have I been overlooking something? My wife turns naturally to the classified telephone directory when she wants to know where to buy an advertised brand. I suppose millions of other people do the same. And here I've been groping around for a way to make it easy for prospects to find my dealers!"

Thanks to the idea born right then and there, another brand name will soon be listed in classified telephone directories... another brand made easy to find.

AMERICAN TELEPHONE & TELEGRAPH CO., Trade Mark Service Division  
195 Broadway, New York 311 W. Washington St., Chicago  
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**CLASSIFIED TELEPHONE DIRECTORY**

**Radios-(Cont'd)**

**PHILCO RADIOS**

There's a PHILCO for every purse and purpose in each supreme in its price class. See them at your dealer's. Demonstrations and easy payments gladly arranged.

**"WHERE TO BUY IT"**

**DISTRIBUTOR**

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**DEALERS**

San Marco The 4th & Pine - SE. Room 1  
Coca-Littell Co. 4315 Oak Wy. - NE. Room 2  
Commercial The 4th & Duane - EL. Int. 1  
East Union The 4th & Duane - EL. Int. 1  
Gorham's The 4th & Duane - EL. Int. 1  
Gorham's The 4th & Duane - EL. Int. 1

# BIGGEST EVENT *in* 5 YEARS

• For men interested in production improvements, the Machine Tool Show is the biggest event in five years. In a single giant display you will see the brilliant advances of speed, accuracy and efficiency of tools for all classes of metal working production.

You will see equally improved electric drive. Stop at the Westinghouse exhibit in Booth E304. Inspect the newest, most efficient motors and control designed especially to power these modern machines.

Come to the show, and bring your key operating men. You will be well repaid.

**Westinghouse**



R-52139

## MACHINE TOOL SHOW

Cleveland

Sept. 11-21, 1935

## Warm Air vs. Radiator

Many companies are pushing home units which circulate conditioned warm air, but there are handicaps.

As the first nip of fall speeds oil burner sales, the industry watches with growing excitement the introduction of new home models which heat, clean, humidify, and circulate air. Usually the conditioning equipment is optional. In some cases the new installations clash with long-established radiator systems of the same concerns. Gains by rivals in selling the warm-conditioned-air units provoked the intra-company competitions.

Development in this sector is due to advances in other phases of air conditioning. Engineers have long held that circulation of heated air properly humidified was superior in some ways to the old type of radiator heat which dried the air. Since oil-burning air heaters can be hooked up logically with air processors in a compact installation, at a reasonable cost, the momentum of summer drives for air-conditioning equipment can be carried on through the cold weather.

### Credit to Gar Wood

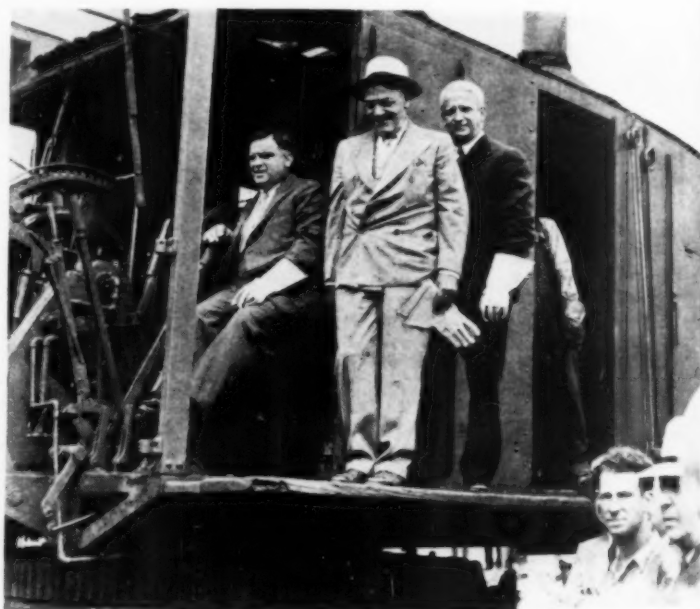
Gar Wood, Detroit's white-haired speed-boat champion, is credited with starting much of the activity in hot-air oil burner furnaces. He continues to have a strong hold on the market, but opposition by gigantic rivals is growing. Everyone took notice when General

Electric entered the field (BU—Aug. 24/35). Fox Furnace, subsidiary of American Radiator Co., has broken into the picture with a new Sunbeam unit that cleans, humidifies, heats, and circulates warm air. General Motors invades the scene with a competing Delco unit. Among others that have swung into the campaign are Timken, Gilbert & Barker (subsidiary of Standard Oil of N. J.), Holland Furnace Co.

### How Will They Sell?

There still remains the all-important question as to how well these units will sell. Spotty reports are sensational (a Hartford, Conn., dealer claims 95% of recent sales were in this type). But isolated dramatics aren't conclusive. There are many factors, sentimental and financial, against the conditioned hot-air burner.

Prices aren't prohibitive. Furnace burners run from about \$450 to \$800, according to the elaborateness of conditioning equipment. Trouble is that this doesn't include installation, and installation can be something awful. The fitting of an old house with air ducts is costly in any case; in some cases, it is practically impossible because there isn't enough space between walls, etc. It is generally recognized that the most promising demand for this type of oil



**LAUNCHING THE BIG PUSH**—With workers drafted from the home relief roll on the threat of no-work, no-pay, New York City's WPA program gets under way. Mayor LaGuardia, Administrator Johnson, and Manhattan Borough President Samuel Levy (left to right) lent a hand at ceremonies which inaugurated work on the \$25-million East River Drive, almost wrecked the steam shovel.



*How much* Too Much *are you paying*

# FOR POWER DELIVERED TO YOUR MACHINES



*Cost of Power  
at the Meter:*  
1.8 cents per K.W.Hr.

*Cost of Power  
delivered to Machines:*  
3.0 cents per K.W.Hr.

That question you *must* answer. Yet, until you have worked out an analysis of your present costs, you cannot know how much you can save by using *the most economical power transmission system.*

There are just two modern power transmission systems in the industrial plant. One involves high investment costs and high operating and maintenance expense—putting a motor on every machine. Conditions may warrant this system in spite of extra cost, for it is usually more efficient than old-fashioned line-shaft drive.

BUT, wherever production may be arranged to group a number of machines around single larger motors, MGD (Modern Group Drive)

is the only system which completely fits today's economic picture. MGD utilizes the diversity of power requirements of numerous machines to reduce the total power supplied and to use that power more efficiently; it is the most economical system to install, and the least costly to maintain.

If lowest cost can be obtained with present equipment, modernize your power transmission with MGD. If you can further reduce your manufacturing costs with new machines, cut capital and operating costs to the limit with MGD. The extra saving often makes it possible to buy now. And MGD meets F.H.A. loan requirements.

At your service are 3500 Power Transmission Counselors, who are

cooperating daily with plant engineers, consulting engineers and public utility engineers in the modernization of industrial power transmission systems. Ask them to assist you, to survey without obligation your machinery drive problems. Meanwhile, send for a free copy of the famous Red Book, "A Practical Analysis of Some Fundamentals of Industrial Power Transmission". It will give you food for thought.

**POWER TRANSMISSION COUNCIL**  
1 Atlantic Street, Stamford, Conn.

*A research association  
of producers and distributors  
of power, power units and mechanical  
equipment for the  
transmission of power*



**A POWER DOLLAR SAVED IS A PROFIT DOLLAR EARNED**



**ON WITH THE NEW"**

## And You're Ready for Temperature Comfort

It's just as easy as that to banish brain-dulling, strength-sapping, sickness-inviting overheat from a business office or plant—or to completely modernize an outmoded building with new tenant appeal.

Simply by replacing ordinary radiator valves, that let steam heat run wild, with Sylphon Automatic Valves that meter the steam to each room's comfort requirements.

The next thing to air-conditioning—yet at a cost so small, the steam they save often pays for the change in a surprisingly short time.

Why not take advantage of the 30-Day Trial offer that lets you find out for yourself in your own private office, what Sylphon Automatic Radiator Valves can do.

There's no mess or bother in the installation—no building alterations—no electrical connections.—They're self-contained and self-sufficient, accurate, dependable and attractive.

Write for Bulletin RW-255.

**FULTON SYLPHON CO.**  
KNOXVILLE, TENN., U.S.A.

Representatives in All Principal Cities in U. S. A.  
and in Montreal, Canada and London, England.

furnace lies in homes that have old hot-air furnaces and in new construction. The rising tide of home building already is attracting those who are making these units.

Also important is the national attitude toward hot air heat. Intensive selling of radiator heat for many years, its proven effectiveness in combating low temperatures in any climate, are hurdles that will require a lot of jumping by the furnace opposition. Then great strides are being made in conditioning radiator-heated homes.

### Oil Unit Installation

Installation of oil units under steam boilers remains the bulk of the burner business. Against costs of around \$295 for complete burner installation under a steam boiler, the householder must pay from \$450 up for the conditioned-air heater, in addition to those installation costs. When G-E introduced its complete boiler-burner units it was thought that the trade would trend heavily in this direction. The actualities, tempered to the nation's shorn resources, are disclosed in this table of first half-year shipments prepared by the *Fuel Oil Journal*:

	1935	1934	% of change
Domestic burners (in existing fire-boxes)	39,691	29,452	+ 34.7
Boiler - burner units	3,796	2,700	+ 40.6
Furnace - burner units (warm air)	523	138	+ 278.9
Industrial burners	6,510	5,992	+ 8.6

Whichever way demand jumps, here is a robust growth to cheer the trade. Total sales this year are expected to reach 140,000 units and top all records. Best previous year was 1929 with a total of 120,000. Thence totals slipped to a bottom of 78,000 in 1932, when convalescence set in. Probably 1 million burners will warm the nation's hearthstones this year, requiring over 50 million bbl. of fuel oil.

### Rumor-Factory Keeps Busy

The obvious interest of oil companies in the market is sprouting a seasonal crop of rumors. It is reported that other great petroleum companies are going to follow the lead of Standard Oil of N. J. in marketing its own (Gilbert & Barker) burners. So far N. J. Standard is the only major company with such a tie-up. Last year Standard caused a great hullabaloo by cutting its installed burner price to \$285 for certain sections in the East. Not long ago it raised prices to \$299, to the great relief of competitors.

But N. J. Standard did show the industry something in selling. Now the hookup between local independent oil distributors and burner manufacturers is becoming general. Gone are the haphazard days when plumbing supply

stores were regular burner outlets. The alliance between fuel and burner distribution meets in the highly-trained specialty salesman who handles both. In Eastern markets only about 25% of burners are now sold without oil contracts. In Chicago the number of independent fuel oil distributors tied in with burner companies has doubled since last year. The combinations may have helped the healthy demand in holding up prices in both fields, despite sporadic sniping from small competitors.

Sales of electric coal stokers for the home also are going up. Percentage of increase is even higher than that for oil burners.

## Color Films

**France has a new color film. Defense possibilities will boost television development in Germany.**

MOVIES in color, and television, are attracting wide attention in Europe. *Business Week's* European staff has reported on recent developments in 3 countries.

A handful of Paris executives were invited last week to a private showing of a new French color film, being developed under the trade name "Francita," which uses the ordinary black and white film on a newly perfected 5-color process. Street scenes, the Italian paintings which have recently been on exhibit in Paris, and finally—as the real test—the renowned stained glass windows of the cathedral at Chartres were shown in color. Reaction of the spectators was favorable, particularly since the cost of the new process is relatively low. Francita expects to be in production within 6 months. Patent rights for Britain are said to have been sold already, but not for the United States.

In Great Britain, the Postmaster-General has authorized the British Broadcasting Corp. to make arrangements with the Baird Television Co. and the Marconi-Electrical & Musical Industries, Ltd., to provide complete transmitting equipment for their systems at the vast Alexandra Palace (exhibition hall) in London. Manufacture and installation will take about 6 months.

### Radio Dealers Pooh-Pooh

The French are less optimistic—at least the radio dealers are trying to make them so. Feature of the advance advertising for the big radio show which opened in Paris this week was the insistence by the dealers that the public should not hold off longer before buying a new radio set in the hope that they can then purchase a combination radio and television outfit.

Germans—familiar, if they live in

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WEEK

Berlin, with the public television experi-  
mental exhibitions—are more optimis-  
tic. There is a new reason now to ex-  
pect rapid development. The War  
Department has suddenly realized the  
importance of television for national  
defense, and only recently a decree has  
been published in the Official Gazette  
transferring the promotion of television  
from the Propaganda Ministry (where  
they had the ambition that every Ger-  
man should not only be able to hear  
"His Master's Voice" but also to see  
Heller speaking on a screen in his  
house) to Göring's Air Ministry. Con-  
sidering the lavish expenditure which  
characterizes the German Air Ministry  
generally, experiments in television will  
probably be carried out on a still more  
grandiose scale than heretofore, but any  
technical successes that may be achieved  
will probably receive less publicity.

## Recovery Note

**Demand for jew's-harps and lucky  
charms delights—and embarrasses  
—busy Birmingham.**

LONDON (Special Correspondence)—  
Symptomatic of better times, Great  
Britain's knickknack industry is boom-  
ing. Birmingham, capital of jew's-harp  
manufacturing (she claims a monopoly),  
is embarrassed by a flood of orders from  
all over the world—but particularly  
from America—is unable to cope with  
the demand because of a scarcity of the  
skilled tongue-setters needed to adjust  
the metal strip to insure correct tone.

One firm alone produces 100,000  
harps a week and has more than 3  
months' orders on hand. The head of  
the firm has just returned from the  
United States with orders for 160,000,  
predicting there would be jew's-harp  
bands there if the appreciation of the  
art continues to grow.

Lucky charms are another flourishing  
Birmingham industry, pixies, gnomes,  
hobgoblins being most in demand  
(probably needed by the jew's-harp  
players).

Returning British tourists stimulate  
the trade by bringing back souvenirs  
from foreign ports, and the foreign sell-  
ers have to replenish their stocks—by  
ordering from Birmingham.

## Fewer Strikes This Year

1935 is producing fewer strikes than 1934  
did, and fewer workers are involved, accord-  
ing to Department of Labor figures for the  
first 5 months this year, plus estimated fig-  
ures for June. In the first half of last year,  
138 strikes began; in the first half of this  
year, 902—a reduction of 5.8%. The 1934  
strikes involved 587,437 workers; the 1935  
strikes 395,853—a 32.6% reduction. Idle  
man-days during the 6 months of last year  
were 9,452,797; of this year, 7,299,518—  
down 22.8%.

# "Monroe Velvet Touch, Speed, Portability, and Stamina Save Us Real Money" says Weston Biscuit Company



MONROE COMPACTNESS AND PORTABILITY MAKE IT EASY TO USE A  
MONROE ON ONE SIDE OF THE DESK FOR ALL KINDS OF CALCULATING,  
ON THE OTHER SIDE, ANOTHER MONROE FOR STRAIGHT LISTING WORK

A trip through the fine, modern  
plant of the Weston Biscuit Co.  
at Passaic, N. J., is a liberal edu-  
cation in the versatility of Monroe  
equipment. On one desk is an  
Adding-Calculator checking in-  
voices; they tell us it has saved  
its cost in six months, and gives  
greater first-time accuracy than  
a double check on any other  
machine. Operators are enthusi-  
astic because Monroe Velvet  
Touch lessens fatigue and raises  
efficiency. In the plant a Listing  
Machine tallies the contents of  
each case as it goes on a belt from  
packing room to warehouse; this  
simple operation gives an accu-  
rate, economical record of pro-

duction and a perpetual inventory  
of stock.

Weston, a Monroe user for  
years, has found that Monroe  
sturdiness plus the service of  
Monroe-owned branches mean  
uninterrupted figure work.

There is a Velvet Touch Monroe  
for every kind of figure work,  
from the Adding-Calculator to  
the Multiple Register Poster.  
A phone call to the nearest  
Monroe branch or a line to the  
factory will put one to work  
on your own figures without  
obligation. Monroe Calculating  
Machine Company,  
Inc., Orange,  
New Jersey.

## MONROE

WRITE FOR  
A FREE COPY OF  
"VELVET TOUCH"  
A NEW 16 PAGE  
BOOKLET





**This dealer isn't merchandising this product . . . It's merchandising itself!**



To this dealer, "merchandising" is just a big bothersome word in manufacturers' broadsides. Ten, fifteen, twenty times a day, perhaps, he's told to "Merchandise this", "Merchandise that", "Merchandise the other. . ."

If you had a one-minute talk with him—and a thousand more like him—he'd say, "Listen, I've got 2,000 items in this store. If you want me to push your line, you've got to give me some *real* help."

That's why this Lucas brush display makes sense. The dealer doesn't have to do anything but unwrap it and put it on the counter. He doesn't even have to "sell". *It* does the selling.

Canco men are specialists in creating displays that make products do their own merchandising—*do their own selling*. Why not consult our Merchandising Specialties Division about *your* product.

**AMERICAN CAN COMPANY**  
**MERCHANDISING SPECIALTIES DIVISION**  
*Metal* **DISPLAYS**

# this Ups and Downs in Germany

Boosted by government spending, and rushed by war scare, heavy industries in Germany are booming; but consumer lines, and the export business, are slack.

Visit Germany and you will get the idea that the country is prosperous. Crowds of people are traveling (the German is no stay-at-home if he can avoid it); factories are working briskly, some of them day and night; they are building a lot of roads (of course, the government is paying for this); there is some commercial building in cities though not on a very elaborate scale, but a lot of houses and apartments are going up. There's very little activity around the Berlin Bourse, and the shops are not filled as they used to be. These are the outstanding dark spots.

## Revival All Planned

In a similar situation the British would say: "Oh, we are muddling along." Not so the Germans. Things are developing along a pretty definite scheme. The revival is spotty only because they have been unable to make some plans work.

Activity, for example, is greatest in the so-called war industries. It's no longer a secret that Germany is rearmament. Visit the mills of the great German Steel Trust, or the busy factories of the I.G. Farbenindustrie, or Opel (automobile) plant. The Steel Trust is not working on rearmament only. It's providing material for the new streamlined trains. Farbenindustrie has a whole line of very "peaceful" products. And Opel is simply doing the lion's share of the automobile business, behind the stimulus of the government's tax-exemption and road-building program. But Krefft and Knueppersbuch are both much more rushed than the normal demand for stoves would warrant. It's widely known that they are making field kitchens and other army equipment on the side.

## Modernization Pickup

Whether or not they are producing goods for the army or for government projects, manufacturers are modernizing their plants. The machine tool factories are working to capacity. They have geared up the motor manufacturers to turn out the greatly increased volume that is necessary, and they have literally "produced" a great airplane industry. Building materials are in greater demand than since 1930.

If the capital goods industries are booming, consumer lines are faring less well. When the government announced last year that Germany was going to become self-sufficient in as many lines as possible, there was a rush to hoard goods. Remembering the grim days of

the war shortage, Germans stocked up with clothing, household linen, soap, lard, flour. There was a boom of selling in the spring of 1934. Naturally, this has been followed by slack buying.

The economic outlook in Germany is gloomiest in this consumer goods business, and in the export trade. There are no signs yet that either is going to change in the near future. German industry is geared to produce for many more than the 65 millions who live within the country. From the profits of making things for other people, Germans are in the habit of buying the raw materials which their feeble soil fails to provide them. When they feel that they have reached the end of human endurance in adjusting these problems internally, there will be an explosion. The trend of German exports fairly well traces the real economic trend in the country.

## More War Stocks

Prices of "favored" German shares are up, but not as much as in Britain and France.

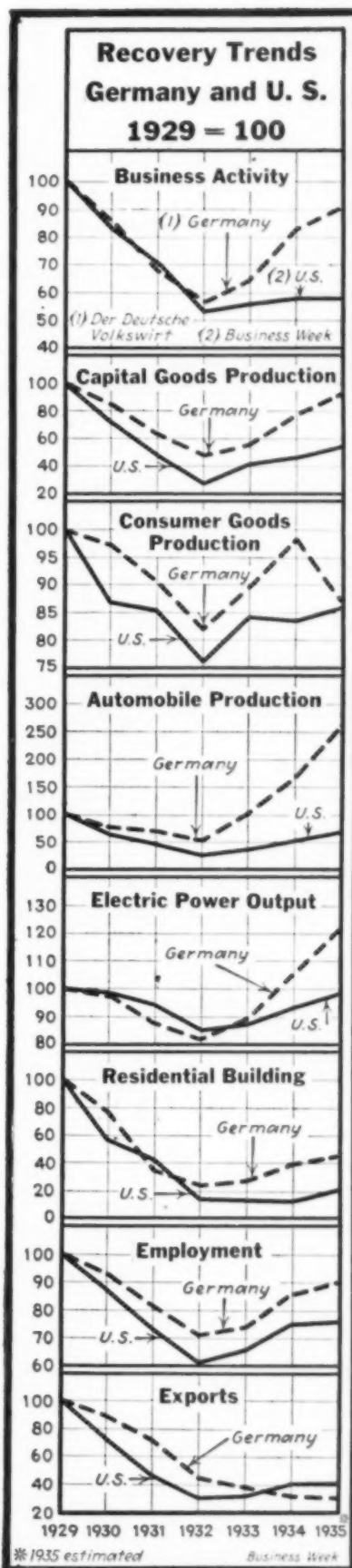
GERMANY'S capital goods industries are operating nearer capacity than consumer lines, but the individual plants which are really booming are those which are handling rearmament orders.

A study of German stock market quotations reveals this new prosperity in the "war" shares, though, due to strict government regulation of profits, prices in the favored lines have not advanced as much as in France, Britain, or the United States.

*Business Week* has now compiled the information on German stock market prices with comparable information for other countries published several weeks ago (*BW*—27'35). Taking quotations on various stocks at the beginning of September 1934 as a base, the trend is indicated by index figures:

	January, 1935	July, 1935
Germany		
10 war shares .....	96.9	118.6
213 industrial shares*.....	96	112.8
France		
8 war shares.....	96.9	152.9
Index of 300 shares†.....	91	103
Great Britain		
10 war shares.....	103	143.9
Index of 40 industrials‡.....	103.9	109.9

\*Statistisches Reichsamt. †Statistique Générale de la France. ‡London Sunday Dispatch.



# Business Abroad

**Italy will not be stopped. Britain hopes to avoid a major clash by negotiating directly with Rome. French economy measures are producing results. European industrial cooperation is successful in nitrogen and steel industries, may extend ultimately to coal.**

ITALY'S Ethiopian adventure will not be halted (page 7). The League of Nations lacks the courage to take any effective action, and Britain will take no stand alone until it is evident that British interests in Africa and the Mediterranean are genuinely threatened. Hostilities may begin within a few weeks. The world hopes they will end in a few months, but there is the dread everywhere that they are only a curtain raiser to another world war.

## Business Makes Progress

While European diplomats are getting increasingly entangled in a spider's web of pacts from which war seems the only way out, business is quietly working, and making conspicuous progress, on pacts of its own, in a spirit of real cooperation. The extension of the European Steel Cartel which now includes Great Britain and Poland, the prolongation of the Nitrogen Cartel—though for the present without Chile—are landmarks of this development. Encouraged by this success, Europe is now discussing the pros and cons of a general coal pact—a project which has often been taken up in past years.

The armistice concluded in April last between the Continental Steel Cartel and the British steel industry has now been followed by a lasting peace. The Continental Cartel was formed in 1926 and comprised Germany, France, Belgium, and Luxemburg. During the first years of its existence it made an abortive attempt to regulate the output of its national member-industries. It was revamped in 1933 when it limited its objects to the regulation of exports controlled by special sales offices for the various products. This scheme has worked satisfactorily. The cartel, however, was severely handicapped by the fact that England stood aloof.

## Steel Cartel Successful

At the beginning of 1935 it had to face 3 serious crises. One of them was the readjustment of the Saar quotas in connection with this district's reunion with Germany. This question was settled within a relatively short time in a spirit of perfect good will between German and French steel interests. The second was the devaluation of the belga when there was a danger that the Belgian industry would take advantage of its depreciated currency and break up the cartel. The Belgians, however, took a long-range view of the matter and preferred "security" to speculative and temporary profits. Finally, there was the conflict with the British industry when, in the course of preliminary negotiations, the British government—in order to better its bargaining position—raised import duties on steel from 33% to 50% ad valorem.

In order to secure the final adherence of England to a 5-year pact, Continental steel interests had to make serious concessions. They had to be content with a British import quota for Continental steel of 670,000 tons in the first year and 520,000 tons in the following 4 years. These figures compare with actual imports of 720,000 tons in 1933 and 912,000 tons in 1934. Great Britain will lower her duties.

Since Poland has also joined the cartel, it now comprises practically all European exporting countries. Simultaneously, the duration of the IRMA, or International Rail Cartel, has been coordinated with that of the steel cartel. This group has also been strengthened by the accession of Poland, Austria, Hungary, and Czechoslovakia. Hopes are expressed, though they are not particularly substantiated, that the United States, as the only big outsider among the world's rail exporting countries, may join ultimately.

## How Steel Operates

In its present shape the European Steel Cartel controls practically 100% of European exports and 80% of world exports. It is significant, however, that 50% of world production is outside the new combination. The main outsiders, who, however, only play a limited part in steel exports, are the United States with 30%, Russia with 10%, and Japan with 4% of world steel production.

It is understood that no immediate and drastic increases in steel export prices are contemplated. It should be realized, however, that present export prices are only about one-half the 1929 levels, and that for the cartel members a price increase of \$4 per ton would mean an increase in gross receipts of \$40 millions. The elimination of the British competition has already led to a firmer tone in international steel markets, although the potential competition of steel producers now outside the cartel is bound to exercise a moderating influence on its price policy.

The negotiations for the renewal of the world Nitrogen Pact, which embraces producers of both natural nitrate and synthetic nitrogen and which expired on June 30, 1935, proved more difficult than the protracted steel negotiations. The European synthetic nitrogen producers came to a provisional agreement in a conference held at the beginning of July at Scheveningen,

Netherlands. The cartel consists of the dominant European group—Germany, England, and Norway, which always acts as a united front—and of France, Belgium, Poland, Italy, Czechoslovakia, and Switzerland. In the course of these negotiations, the Italians proved—in politics—the main trouble-makers. They assumed an aggressive tone, demanded guaranteed minimum export quotas and, at first, withdrew from the conference. Subsequently, however, the diplomacy of the cartel succeeded in uniting all diverging European interests, but no agreement was reached at Scheveningen with Chilean nitrate interests.

The success of the European steel negotiations has aroused fresh hopes regarding the possibility of a similar European coal pact. After the failure of former negotiations, which took place several years ago between the British and the German coal industries, rumors regarding new negotiations have been periodically circulated. The "fortunes" of the Scandinavian markets by the British and Polish coal interests in 1934 seemed to represent a new approach towards the old goal. Yet the difficulties which the project is encountering are considerable.

## Coal's Problem

In the first instance, coal has become a favored object of bargaining in European commercial treaties. It plays a conspicuous part in the agreements of Great Britain with Scandinavian countries. Coal import quotas are also prominent in the commercial policies of Continental countries. Consequently, international market regulations cannot be set up by the industry alone without concurrence and active interference on the part of the various governments with their conflicting and varied interests.

Furthermore, the lack of a central organization comprising the entire British coal industry is considered as a serious handicap by the would-be European partners, who themselves possess strong and effectively organized coal cartels.

Finally, there is no consensus of opinion in regard to the scope of a European coal cartel. The Germans, who have a particularly wide and varied experience in international cartel matters, contend, and probably not without reason, that an international price convention along the lines suggested some years ago would prove abortive from the beginning. In order to be effective it must be supplemented and supported by a quota agreement regulating exports.

## France

**Retail sales increase following price cuts. Refined oil quotas will be reduced.**

PARIS (Wireless)—Business in France this week was uneventful. Reopening of the wheat futures market (which has been closed since last December) is viewed optimistically. With a crop shortage, it is increasingly evident that the current crop and most of the surplus are likely to disappear before the end of the year. Prices are already firm.



Cement prices have been reduced 10% in the campaign to reduce the cost of living, and the revaluation of property has helped to reduce tax costs.

Foreign oil interests were warned this week that quotas on refined oil will be cut another 10% in October. It is in keeping with a long-time policy of developing a domestic refining industry.

Retail business is showing some signs of recovery. A recent survey of the principal Paris department stores shows that prices have been cut from 12% to 15% in most of them, but up to 25% in a few. Most stores, but not all, have been able to compensate for these cuts by increased sales. Galeries Lafayette, for instance, which cut prices up to 25%, has fully covered the reduction by increased sales. Turnover in most stores has increased vastly since the first of June. A part of this is due to the tourist influx. More than 400 interpreters were in demand during May, compared with a bare 200 a year ago.

## Great Britain

**International bargaining over Ethiopia, domestic labor troubles, and the usual pre-election uncertainties disturb British business—but there are no signs of panic.**

LONDON (Cable)—There is no panic in London, but the British are disturbed over the Ethiopian troubles and this anxiety is helping to slow down business. Contributing distress factors are further labor troubles, and pre-election

uncertainties—especially the worry now that the election will be delayed by international complications.

However devious the course of the international discussions at Geneva concerning Ethiopia, the English have pretty well made up their minds that they can protect their interests in the Mediterranean and in Africa without the support of France. Nothing will be done to antagonize Paris, but neither will the government bow to the full demands from the French in order to win their unqualified support. Sanctions are not likely to be called into force. London will ultimately deal directly with Rome, and Mussolini will probably be placated with partial fulfillment of his ambitions in Africa. All of these developments demand further ticklish negotiations which are bound to be a retarding influence on business.

### Labor Is Restless

Labor troubles are only a little less annoying to the present government, trying desperately to set the stage for a general election. To the threat of the South Yorkshire coal workers to strike, have been added protests from Lancashire cotton workers and Welsh miners. This unrest, added to the popular dissatisfaction over the handling of the Italian-Ethiopian problem, has weakened the position of the National government just at a time when it is working hardest to build up popular support. Socialists have already backed away from their earlier promises of support, and it is possible that the election will not be held in November, as anticipated until recently.

Plans for the financing of small busi-

ness with government aid have run into trouble. Banks refuse to accept the "prospect of business" as security for such financial aid as is needed, and the government is already too embarrassed by the prospect of greatly increased military expenditures to assume the responsibility for supplying funds.

## Germany

**Heavy industries boom on rearmament orders. High food costs bring sharp labor protest, and government price-fixing program.**

BERLIN (Wireless)—Though Germany's reactions to any struggle which may develop out of the Italo-Ethiopian controversy are an important force behind the decisions which are being made in Geneva and various capitals this week, Germany is only indirectly concerned so far. Coal shipments have jumped on increased Italian orders and a rush of other customers in the storm area to lay in supplies; and Germany is getting rid of a lot of old ships to Italian scrap yards, and of a few newer ships which may form a part of the Italian transport fleet.

Germans still lack the funds to bring about any striking revival of retail trade, but manufacturers of heavy goods—machinery, construction equipment and materials—are steadily boosting their production programs. First urge after Hitler came to power was the huge public works program which the government started. Recently, the rush to rearm has become a more important force, for volume of business is large and the number of industries which benefit is wider even than for public works. Shipbuilding, for instance, has been operating for the last few years at only 10% or 15% of capacity. Now, orders on hand will keep the yards fully occupied until the end of 1937. While there have been a few foreign orders (efforts of foreigners to liquidate their holdings of German funds), the bulk of the business is Berlin's own determination to build up a navy.

### Food Prices Are Fixed

Nothing is attracting more attention in Germany now than the new efforts of the government first to prevent a further increase in the cost of living, and second to reduce prices in certain lines which have increased alarmingly in the last 6 months. The mounting volume of protests from labor, and their vigorous demands for higher wages to support themselves, have caused Hitler to concentrate all attention for the present on this problem. Within the last week almost every meat product has come under a strict price-fixing system, and the level at which the new prices are being set is from 10% to 15% below present prices, or about the level of the beginning of the year. Butter and margarine prices have been fixed for a long time. Potatoes, vegetable oil, and cheese prices are also to be regulated.

The stock market has been weak since the first of the month.



European

**ADDIS ABABA ON THE MOVE**—Seldom has the railway station in the Ethiopian capital seen such activity as at present. From Djibouti in French Somaliland occasional trains on the single-track Franco-Ethiopian railroad bring into Addis Ababa newspaper men, legation guards, and assorted soldiers of fortune. Returning, they take with them foreign citizens. British subjects have already been ordered out.

# Money and the Markets

**Treasury's minor mishaps in bond market cause talk and that's about all. And budget-balancing remains a rumor. Morgenthau going to Europe; will he discuss stabilization? Onrush of war affects market slightly.**

THE federal government dominated the week's financial news. Announcing its expected conversion offer for the last of the Liberty bonds, the Treasury set its price right on the market, and the market at the time was not a very vigorous one (page 42). Thus for a time governmental credit discussions filled the air.

On a two months' decline in prices, and following a fumbled offering of guaranteed Farm Mortgage bonds last week, the Treasury's conversion announcement struck the financial community as one that needed careful handling and some measure of coaxing, despite the quick success achieved by a half billion note issue offered simultaneously.

## No Big Trouble Expected

Nevertheless, no material difficulty has arisen from the Treasury move and none is contemplated. Financial quarters are willing to talk about the unsettlement in governments, but at the same time the main interest is in business prospects for the fall and in the state of politics abroad.

Even the figures for the first 2 months of this fiscal year, showing more than \$2 of government expenditure for each \$1 of income, a \$663-million start on the deficit compared with only \$435 millions in the corresponding period last year, and public debt over \$29 billions, failed to produce excitement.

Observations have currently turned to the remarkable abundance of conversation in Washington about balancing the budget, a matter that had previously had the small end of conversation for many months, if indeed it had been

mentioned at all. But since the balanced budget rumors are only rumors, after all, they have hardly been an influence on events.

Of more than domestic interest at present is the fact that Secretary of the Treasury Morgenthau is tentatively planning a vacation trip to Europe. According to known plans, the Secretary will avoid European financial centers, confining his pleasure travels to the Iberian Peninsula. But the fact remains that he will be in Europe, and thus far more accessible to discussions of international exchange stabilization than if he were at home.

The prospect of war in Ethiopia continues to exert a substantial effect on economic thought here, but thus far individual markets, both commodity and financial, have been only lightly affected. Markets in foreign exchange have been more sensitive. Gold currencies have for some time been mirroring the movement of gold to the United States and England.

## Municipals Lead New Issue Parade

OUTSIDE of government circles, new financing was relatively inactive. City governments figured prominently in such business as was done, with \$6 millions of New York City serial 4s and \$2.5 millions of Cleveland serial 4s on the market, together with \$2.5 millions of Los Angeles 4s, offered by underwriters who had purchased the block from the RFC.

One of the features of corporate financing was the appearance on the mar-

ket of that part of a \$17-million issue of Philadelphia Suburban Water Co. long time 4s which had not been taken by holders of a called issue. Holders of bonds which the company was refunding were given the first chance at the new bonds and took a little more than half of the offering.

The operation was of interest to financial circles because the privilege of first choice to holders of called bonds was announced about the time that former Judge Burns of the SEC was making a speech advocating just such a privilege. The SEC official's statement was taken to mean that SEC favored subscription privileges for bondholders and might try to make the practice a general one.

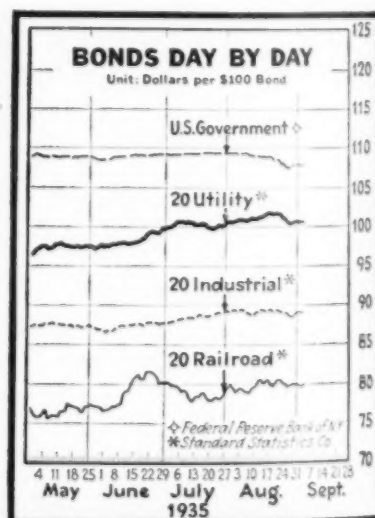
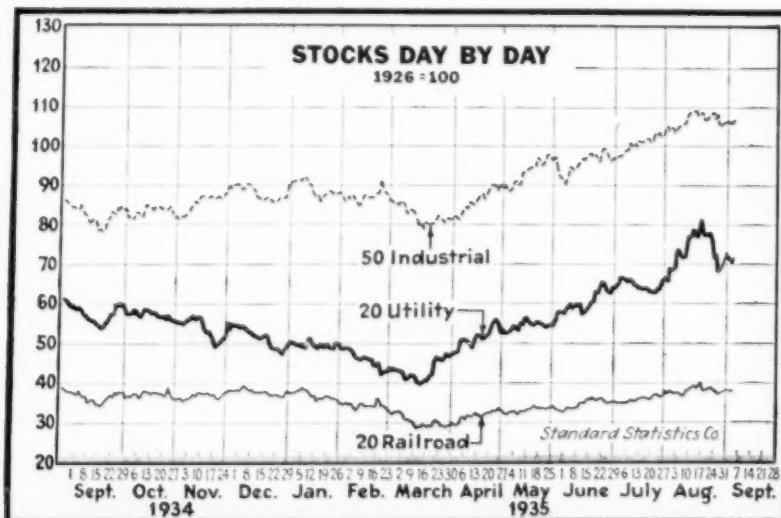
## \$2 Billion Securities Floated in 8 Months

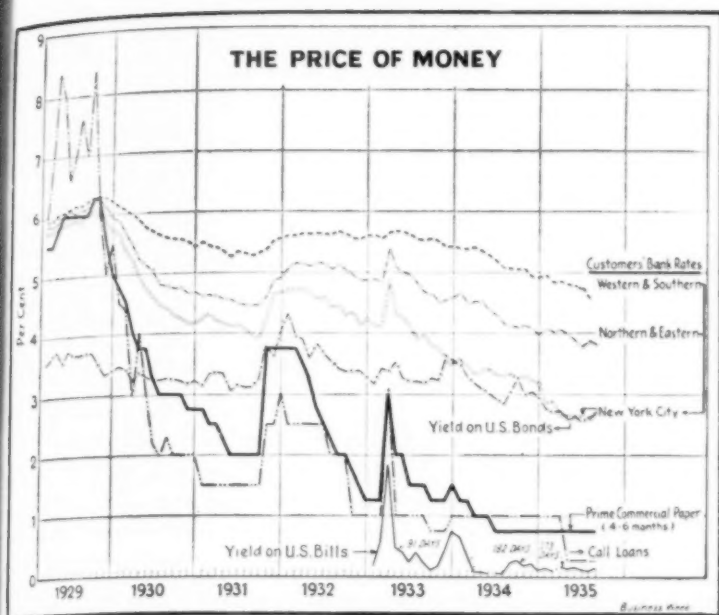
ALTHOUGH security flotations in August fell to half the July total, the month was nevertheless the best August since pre-depression times.

From the first of the year to the end of August, flotations were of boom proportions compared with those of the past few years. The total face value for the 8 months exceeded \$2 billions. In the entire year 1934 the total was scarcely more than half this amount, and in 1933 was less than one-quarter of it.

SEC's records up to the end of July show a 7 months' total of \$994 millions, excluding new issues for reorganizations and municipal issues, which do not have to be registered by the commission. Of this amount only one-quarter was for new money, the rest being for refunding purposes.

There is no sign of a change in the relative proportions of refunding and new money. August witnessed the second largest total of redemption-before-maturity announcements in the past 5 years. In this respect the month ran perfectly with the pattern of the preceding 7 months, all of which revealed large refunding operations.





For the remainder of the year a continued flow of refundings is expected, with the final total of new security flotations expected to reach nearly \$3 billions for the entire calendar year. More than \$100 millions are in registration with the SEC now.

### Stocks and Bonds Wait Till Outlook Clears

Stock and bond markets have been marking time, most divisions resting moderately below the year's high points while the business world digests the legislation left by Congress and scans the business expansion possibilities of the next few weeks.

Trade is not as lively as it was two and three weeks ago. Speculative activity has not been hurt much, but in the investment sections of the markets, there is still a tendency toward caution.

### Utilities Are Stabilizing

Utility stocks and bonds are stabilizing after their late August recessions, while industrial securities continue to give relatively the best performance. Recent exceptions to dullness have been motion picture and oil securities. The movie industry is audibly gleeful over the manner in which the fall season has been launched. Attendance records over the Labor Day holiday were reported as substantially beyond expectations, and with the heavy season now under way, movie issues again attract the traders.

The petroleum group has been experiencing an entirely different class of news. The disturbance which broke out in California as a result of excessive oil production, and which resulted in price slashes, has given the oil trade something to worry about. Hope is expressed that neither Texas crude oil markets nor North Atlantic retail markets will be affected before the California trouble is cleaned up, but in the meantime oil securities have suffered with the news.

### Wheat Is Bullish; Other Grains Aren't

PRIVATE grain crop reporters this week continued the story of disappointment in wheat. Their spring wheat estimates averaged 155 million bu., a slash of 21 millions from the government's Aug. 1 figure. Together with the government's August winter wheat figure, total wheat production is thus indicated at 587 millions, less than 100 millions above the disastrous 1934 production, a startling shrinkage from the abundant crops that appeared to be in store no longer ago than July.

The complete change in crop prospects suggests that for the third successive year wheat supplies will be definitely below domestic requirements. Continued imports from Canada are assured, particularly since the quality of our spring wheat is so depressed by rust that millers will be unable to use much of it, or will prefer to take in strong Canadian wheat for economy's sake, since lightweight domestic wheat will not make as much flour as normal but will carry the same processing tax, thus boosting the tax percentage on flour outturn.

If all grains were smitten as badly as wheat, last year's scare stories would be repeated. But there is no bull news in the coarse grains. Private estimates of the corn crop at 2,230 million bu. promise plenty of corn for our reduced hog population. An indicated oats crop of 1,181 millions is practically up to average and is fully ample for the consumption shown in the past few years.

### Cotton Tangled Up In Uncertainties

COTTON textile prices were moved up a little this week, but the firmness was more related to advancing silk quotations than to raw cotton values.

Cotton prices have never recovered

appreciably from the declines set off by the government's August crop report and subsequently aggravated by the lowering of the cotton loan figure; but the cotton trade thinks existing prices are on a sound basis. Last year prices were about 4¢ a lb. higher. World stocks of American cotton are unusually low and there is a chance for heavier export business than last year. With markets freed from the 12¢ loan shackle, domestic use also may be toned up.

Above 13¢ it is conceded that cotton would have trouble, since last year's 12¢ loan cotton would come out; but unless the market gets up to that point, trading will be done in new-crop cotton, and in this crop the adjustment of supply to demand is good enough to warrant present prices, in trade opinion.

Cotton could drop to 8¢ under the present setup. It is by no means assured that farmers would go into the 10¢ loan when markets reached that figure. On the contrary they would probably feel that the 10¢ loan might entail indefinite holding and possibly the loss of the 2¢ subsidy. Only at 8¢ would they be assured of no loss by going into the 10¢ loan.

Altogether the cotton situation is much more comfortable. There still is a threat for the future, however. AAA may want a big reduction in acreage and consequent yield next year. If that policy continues it will mean further invitation to the rest of the world to take over more and more of our export market.

### Bank Stocks Enjoy Private Little Spree

THE bank stock market had a spree of its own this week. The movement was on the down side and was precipitated by dividend cuts announced by Central Hanover and Bankers Trust. Reduced earnings, in view of prevailing low interest rates, were given as the reason for the cuts.

Prior to this week's dips, bank stocks had been doing relatively well. The Hoit, Rose, and Troster index of 16 New York bank stocks in mid-August had jumped to 57 from the year's low of 41, made in April. The high mark practically duplicated the 1934 high.

Most of the activity on the advance occurred in July and August, during congressional consideration of the banking bill, which suggested settlement of the FDIC assessment problem, the end of double liability in 1937, and a satisfactory Federal Reserve Board lineup. During this period of advance, bank stocks generally performed better than the stock market.

Insurance stocks in July and August were also strong. An index of 20 fire, casualty, and life companies in mid-August made the best level since 1931 and stood at almost 5 times the bear market low of 1932.

Fire companies have been particularly favored by the news. Fire losses covered by underwriters dropped sharply in 1933 and again almost as sharply in 1934. Accompanying this loss reduction was a steady gain in premium volume.





Maryland Trust Building, Baltimore, Md.

## MARYLAND TRUST GETS TROUBLE-FREE HEATING

Webster Moderator System Controls Steam Distribution in Baltimore Bank Building

### WELL-SEASONED INSTALLATION

Baltimore, Md.—A heating system modernized in 1931 continues to provide economical, trouble-free operation for Baltimore's 11-story Maryland Trust Building, according to O. D. Green, Building Manager.

Although a direct comparison of steam costs is difficult because of the broad differences found to exist between former and present heating practice, the Webster Moderator System has met every demand made upon it.

No repairs or replacements have been required to the control equipment during four seasons of operation.

The Maryland Trust Building has a total of 70,503 square feet of floor space. The basement and three lower floors are occupied by the bank.

Before modernization, heating was accomplished almost entirely with engine exhaust steam. Steam generated on the premises ran the hydraulic elevators and operated the engine-driven generators which furnished electrical energy to all offices.

The management decided that the use of purchased steam, properly controlled, would correct the short-comings of the old heating system.

The Webster Moderator System, selected to do this job, has held the total heating cost well in line with former experiences with exhaust steam. Formerly, there were reports of trouble at individual radiators and use of cold water jets to maintain vacuum.

Savings in labor and in the rental value of boiler room space made available by modernization exceed \$5,000 a year.

If you are interested in (1) improved heating service and (2) lower heating cost in your building, address

WARREN WEBSTER & CO., Camden, N. J.  
Pioneers of the Vacuum System of Steam Heating  
Branches in 60 principal U. S. Cities—Estab. 1898

## Bond Market Cool to Treasury

But, this time, it's only a minor chill and Washington warms up to talk of budget-balancing in which Morgenthau cautiously joins.

SECRETARY MORGENTHAU has run into another case of jitters in the government bond market, a recurrence in milder form of the troubles he had just a year ago. Spirits of the financial district have so far improved within the year, however, that the tension is nothing like that of September, 1934.

At that time inflation was in the air. There was serious talk in some quarters that the government was getting to the end of its credit.

This week the first step of his big current operation, raising \$500 millions cash for the work-relief program, went through without a hitch. The bigger job of refunding the \$1,250 millions of called Liberty Bonds to clean up the last of the old war loans is not going so readily, but is considered a certain success even though it may take a little nursing.

The cash raising was done with 1½% notes due in March, 1939, which were oversubscribed and moved up to a premium, giving the market an opportune boost. The same issue is offered to Liberty bond holders, who have the alternative of taking 2½% bonds running to 1947. With either issue they get a month's extra interest.

### Not Very Enthusiastic

Either exchange is slightly better than accepting cash at par, although the terms put them too close to the market to develop much enthusiasm among dealers or traders.

The financial community, which hasn't liked Morgenthau's switch to the auction method of selling securities, gets a chuckle out of his tribulations, some of them very recent. He has contended with a sagging market for 2 months. Treasury 25-year 2½s, major financing medium in recent operations, are 2 points below the price of 2 months ago. Periodical offerings of the issue have been going successively less well.

Then an issue of \$100 millions Federal Farm Mortgage Corp. 1½% 4-year notes offered last week didn't float. The invitation for competitive bids brought in only \$85 millions subscriptions at acceptable prices, although bids down to 98 were taken. Its failure was mostly due to careless piloting. It was launched in a holiday week at the tail end of vacations, on a sagging market, and immediately ahead of the big refunding. There wasn't full enough understanding among buyers that they could bid less than par. The result was that some bidders got notes almost 2 points below

the market because quotations bounced back almost to par after the sale.

A Home Owners Loan Corp. flotation did practically the same thing last year when the RFC had to absorb a block of notes that the market would not take.

As frequently happens when the Treasury has some big business in the market, there is Washington talk of budget balancing. Morgenthau has become its latest advocate, although the President himself remarked recently that there may be less money to spend another year. Meanwhile, George Creel, whose masterly publicity almost converted the World War into a crusade to save democracy, has broken into public print with a fiscal program evidently intended to appear officially inspired. His projected budgets—projected in *Collier's*—for the next 2 years would lift government revenues \$1.2 billion, cut expenditures \$1.3 billion, tapering the deficit to \$500 millions for fiscal 1938, and then supplant it with a \$500-million surplus in 1939.

### Creel Gazes Into Crystal

His forecasts, tailed onto a history of government financing, would round out 10 years of depression like this:

Fiscal year:	Receipts	Surplus (+) or Deficit (—)	
		Expenditures	(in millions)
1930 .....	\$4,178	\$3,440	+ \$738
1931 .....	3,317	3,780	— 463
1932 .....	2,121	4,861	— 2,740
1933 .....	2,238	4,845	— 2,607
1934 .....	3,116	6,745	— 3,629
1935 .....	3,800	6,802	— 3,002
Budgets:			
—Official			
1936 .....	3,992	8,520	— 4,528
—Unofficial			
1937 .....	4,200	6,200	— 2,000
1938 .....	5,000	5,500	— 500
1939 .....	?	?	+ 500

There is no provision in 1937 for any \$2-billion soldiers' bonus or for \$5 billions to take over farm mortgages. Naturally the silver buying doesn't enter the figures since the Treasury adds silver to its assets, even writes up its value. Nor does Mr. Creel's estimate explore the personal element introduced by spenders like Ickes, Hopkins, and Tugwell, representing long odds—at least numerically—against Budget-Balance Morgenthau. It might, consequently, be called conservative on the expenditure side.

## Editorially Speaking—

MUSSOLINI, according to the Associated Press, is refusing to honor many passports that American consulates have granted to "Italians born in America" who want to return to the United States and avoid military service. He declares they are Italian subjects, although under our law they are not "Italians born in America" but Americans who have been such since birth.

Mussolini's attitude is on a par with that of Julius Streicher, one of Hitler's closest associates, who recently declared at a great meeting in Berlin: "A German is always a German, even if he lives at the North Pole. German-Americans remain Germans." That is not a doctrine which the United States can tolerate. The status and rights of American citizens, whether in Italy or any other country, must be firmly supported by our State Department.

Two prisoners, on their way to a Havana police station, were killed while in a police car. The police say "a dark sedan" with New York license plates drew abreast and cut loose with machine-guns. American newspaper correspondents say it is generally suspected that the police did the killing themselves.

This is the situation in Cuba under the dictatorship of Fulgencio Batista, who was an army stenographer 2 years ago and is now the commander of the strongest and most ruthless military machine in Cuban history. President Roosevelt, under his "good neighbor" policy, maneuvered to kick Machado out of the Cuban presidency because he was autocratic and cruel. Since then thousands of Cubans have been killed, and instead of Machado there is Batista. It would have been better if Mr. Roosevelt had kept his hands off.

"We, People of America, and How We Ended Poverty," is a new pamphlet by Upton Sinclair, who calls it "a true story of the future." Is that the man who issued a pamphlet with the title, "I, Governor of California"?

FROM our Washington office: "Because the government money vaults in Philadelphia are getting crowded, the Treasury is moving \$25 millions in silver dollars to Washington, where there is still plenty of room."

And where they need it.

MORE from the same source, on the same subject: "The coins are packed loosely in sealed canvas sacks, each of which contains \$1,000 and weighs 59 lb. Piling the sacks is quite a trick. Unless it is done properly, the pile may collapse, with serious results to any un-

fortunate who may be caught in the cascade of dollars. Relief workers do the job. The Treasury says they are hard to teach; seem to be in awe of so much money."

AFTER Oct. 1, Western Union will charge a flat 25-cent rate on birthday telegrams from any point in the United States to any other point. You choose the birthday greetings you want from a standard list of 30 greetings that have proved popular. If the telegram is sent a long distance, the flat rate may save you half a dollar or more.

This information is brought to us by the Gentleman from the Adjacent Office. Coming in with the sheet of press-agent copy from Western Union, he offers a business suggestion. "What's to prevent some firms from using the standard messages as a code?" he inquires. "No. 1 might mean, 'I couldn't get the order.' No. 2, 'I got the order and you'll receive it Wednesday.' No. 3, 'I'm leaving this town and I'll be in the designated hotel in the next town on my itinerary tomorrow.' The firm could save a lot of money."

Go away, Gentleman from the Adjacent Office! There are too many slick ideas in this world already. Go away or we'll tell Western Union on you.

IN Chattanooga, which is still officially dry, the bootleggers recently got into a price war. Whisky dropped from a dollar a pint to 75¢. Roadhouses were burned and bombed, trucks were hijacked, and finally two rival groups had it out with pistols in the downtown district.

Naturally that sort of thing couldn't be allowed to continue. For want of an NRA, the cracking-down was done by the wholesale liquor dealers. They forced the bootleggers to accept a code. It prohibits free drinks for "repeat" customers, and any sort of gift to hotel clerks, telephone operators, bellboys, policemen, and others to steer customers to the right places.

There was one chiseler who refused to abide by the code, but the ethical bootleggers forced him into line by appealing to the wholesale dealers, who threatened to cut off his supply. So now the local bootlegging is 100% ethical.

IN that radio speech to the Young Democratic Clubs, the President spoke of "the recent depression." Which one? The depression of 1907 is a generation old, and even the 1921 depression can hardly be called recent.

He couldn't have meant the depression we're in right now, could he?



## TWO YEARS' SAVINGS gone in a week!

"Appendicitis," the doctor said, she'll have to be operated on at once." Unfortunately, appendicitis is no respecter of persons. It doesn't confine its costly attacks to the homes of the rich.

But when it comes, it's a question of life; and even if it does take the savings of two long years, life—rich or poor—is equally precious.

### Lending a Hand

And a man can always start over. But what if he hasn't saved? What if he just couldn't save out of a small, sometimes irregular income? What then? Household can and does help men caught in such unexpected and unavoidable difficulties.

We give them more than just a loan. We show them how—by thrifty home money management—they can get more out of the money they have to spend. We show them ways to stop leaks and avoid waste.

### "Stretching Dollars"

And to the woman in the home we give instructions in "Better Buymanship." Many learn to stretch dollars as much as 20%.

May we send you free copy of our "Money Management for Households"—and a sample booklet from our "Better Buymanship" library? As an employer of men, you will be interested in what Household does to help families that are in financial difficulties.

*Your Doctor of Family Finances*

## HOUSEHOLD FINANCE CORPORATION

AND SUBSIDIARIES

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DOCTOR OF FAMILY FINANCES B. W. 9-7  
919 North Michigan Avenue, Chicago, Ill.  
Please mail me, absolutely FREE—the new-type budget calculator: "MONEY MANAGEMENT FOR HOUSEHOLDS" and sample copy of your "BETTER BUYMANSHIP" booklets.

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# BUSINESS WEEK

The Journal of Business News and Interpretation

SEPTEMBER 7, 1935

## "He's More to Be Pitied—"

"Plow-Under Plan Due For Potatoes." That's a newspaper headline. But since the tuber is underground, a plow that would turn under the aboveground part of the plant would bring the tuber to the surface, ready to be harvested. Thus a plowing-under of potatoes would actually be harvesting.

But the Department of Agriculture, which is reported to have such a plan under consideration, does not mean harvesting in the literal sense. It means destruction of a part of the 1935 potato crop. This is a program that Henry Wallace may reluctantly believe to be necessary because Congress has approved the Warren potato plan, which makes him the lord high supervisor of American potatoes (white, not sweet).

It is time that somebody pulled Henry Wallace to the front of the stage and, with a soothing arm around his bent shoulders, sang "More To Be Pitied Than Censured." Mr. Wallace started out to reduce the disparity between agricultural and industrial prices. In some ways he has done an excellent job. But one thing leads to another, one commodity after another gets tossed into Mr. Wallace's overburdened arms, and he goes staggering down the street with such a load as no man on earth could manage to carry for more than a short time.

Potatoes and cotton are the latest headlines in Mr. Wallace's list of worries. Congress, against his will, made potatoes a basic crop and ordained a potato control similar to the Bankhead cotton control plan, which is only part of the general cotton scheme.

The Bankhead plan allots production quotas, and taxes all excessive cotton at the gin with a prohibitive tax. The Warren potato control will tax excessive potato production at the time of the first sale by the grower. If he sells a few bushels of the excess to a country store, he is supposed to have it in a closed container with a tax stamp, showing that he has paid the government 45¢ a bu. And poor Henry Wallace is the man who has to make this scheme practicable! He would have had an easier job as Prohibition Administrator before repeal.

As if the potato headache were not enough, senators from the cotton

states came frothing at him in the last hours of the congressional session. They demanded that the former 12¢ loan be applied on the 1935-36 crop. This would have meant lending planters more than the present market price. Naturally, instead of selling cotton on the market, the planter would have turned his crop over to the Agricultural Adjustment Administration for the loan of 12¢; and since AAA already had 6 million bales of cotton on its hands, it didn't want any more.

Besides forcing the government to suffer a big loss, this plan would have again nullified the free market in cotton, as it did last year, when the loan was 12¢; it would again have restricted exports, because 12¢ is far above the world price.

Mr. Wallace compromised by agreeing to a 10¢ loan, plus a complicated gift plan that will probably bring the planter's total return to 12¢. This is known as eating all your cake and then having a piece of pie. But there is a public advantage accruing from the compromise, because the new cotton crop will not be piled up in Mr. Wallace's hands but will go into marketing channels, part of it for export. The compromise will help the cotton trade, and probably it will limit the dreadful woes of Henry Wallace.

## U. S. Steel Goes After the Business

It is a sign of the times that the United States Steel Corporation has appreciably changed its selling system and intends to advertise more widely. Under the late Judge Gary's leadership, Steel sought its own good by keeping the whole industry fairly profitable, and so it was content to make and sell the old-fashioned, heavy products, while its small competitors busied themselves with special alloys and other refinements. But

these products, such as stainless steel, have gained an increasing share of the profits, and since Myron C. Taylor became active in the management, Steel has altered its methods. Edward R. Stettinius was brought from General Motors, where he had learned salesmanship as the motor industry has marvelously practiced it. Salesmanship begins not with the salesman but with the production of the kind of goods the customer wants. With changed methods and some notable changes in personnel, Steel is preparing to meet the competition of the smaller, spryer companies.

## One Douglas And Many Aberharts

Major Clifford Hugh Douglas, the British engineer who spun the fine fantasy of Social Credit, does not relish the homely strands which William Aberhart has introduced into that recondite web of economic mumbo-jumbo. But what Aberhart has done is more or less what every other political salesman of the Douglas product will do.

He has taken Douglas' main selling idea—the "basic national dividend"—to practically every citizen—and has made it more alluring to the voters by declaring in advance how much the dividend will amount to, namely, \$25 a month. If Huey Long ever finds the Douglas product convenient for his business, he will modify it in much the same way. He will brand it with his own name, claiming that he invented the same article back around 1915, before Douglas was heard of, and he will fix the so-called dividend at \$50 or \$100 a month.

As a matter of fact, there won't be any dividend, there can't be any dividend, because it is a false analogy to compare the whole mass of voters with the stockholders in a corporation. All there can be is confiscation by inflation, with the voters receiving the confiscated wealth till the whole experiment goes to smash. What it will do to governmental credit has already been indicated in Alberta, where the election of Aberhart has clogged up all the ordinary borrowing channels, and forced the suspension of the payment of provincial savings certificates.

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# BUSINESS INDICATOR



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